



Pakistan Institute for Parliamentary Services

IMPLEMENTATION OF THE 18TH CONSTITUTIONAL AMENDMENT

**Position Paper on
"Devolution of Tourism in Pakistan"**

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List of Abbreviations

ACP	Alpine Club of Pakistan
AJK	Azad Jammu and Kashmir
BAP	Balochistan Awami Party
BoD	Board of Directors
BTA	Balochistan Tourism Act
CCI	Council of Common Interests
CPEC	China Pakistan Economic Corridor
DTS	Department of Tourism Services
EAD	Economic Affairs Division
FES	Friedrich Ebert Stiftung
GB	Gilgit-Baltistan
GDP	Gross Domestic Product
GT (road)	Grand Trunk Road
HD	High Definition
IHC	Islamabad High Court
IPC	Inter-Provincial Coordination
IT	Information Technology
ITHM	Institute of Tourism and Hotel Management (ITHM)
KP	Khyber Pakhtunkhwa
MJRL	Malam Jabba Resort Limited
NAVTTTC	National Vocational & Technical Training Commission
NOC	No-Objection Certificate
NTB	National Tourism Board
PAITHM	Pakistan Austrian Institute of Hotel and Tourism Management
PATA	Pacific Asia Travel Association
PATO	Pakistan Association of Tour Operators
PHA	Pakistan Hotels Association
PHC	Peshawar High Court
PILDAT	Pakistan Institute of Legislative Development and Transparency
PIPS	Pakistan Institute for Parliamentary Services
PITHM	Pakistan Institute of Tourism and Hotel Management
PML-N	Pakistan Muslim League (Nawaz)
PPP	Pakistan People's Party
PTDC	Pakistan Tourism Development Corporation
PTF	Pakistan Tourism Forum
PTI	Pakistan Tehreek-e-Insaf

SMEs	Small Medium Enterprises
STDC	Sindh Tourism Development Corporation
STFP	Sustainable Tourism Foundation Pakistan
TAAP	Travel Agents Association of Pakistan
TCKP	Tourism Corporation Khyber Pakhtunkhwa
TDCP	Tourism Development Corporation of Punjab
TRDP	Thardeep Rural Development Programme
TVET	Technical and Vocational Education and Training
USD	US Dollar
VFR	Visiting Friends and Relatives
VoA	Visa on Arrival
WBG	World Bank Group
WTTC	World Travel and Tourism Council

Foreword

The devolution of power through the 18th constitutional amendment has been a landmark in Pakistan's political history. However, the implementation of this amendment of 2010 and its accompanying regulations is still not completed in letter and spirit.

This paper is continuation of series of publications that the Pakistan Institute for Parliamentary Services (PIPS) has produced with the assistance of the Friedrich-Ebert-Stiftung (FES) on the "Implementation of the 18th Constitutional Amendment". As a not-for-profit German political foundation, committed to the ideals of social democracy, FES is supporting all efforts which strengthen the social contract between citizens and the state. And a devolution that ensures provincial autonomy, but also close cooperation between the different levels of government, is a precondition for a functioning social contract in a democratic state.

Due to the 18th amendment in the constitution of Pakistan, the legislative and executive authorities of the federal and provincial governments have been delimited by assigning 53 subjects exclusively to the federal government, 18 subjects to the Council of Common Interests and all residual subjects to the provincial governments. In the aftermath of this amendment, tourism has also been devolved to the provinces as one of the residual subjects.

The tourism sector is one of the areas which has been facing challenges after devolution, as regards to the regulation of this sector, to the management of its employees, and to policy making at international level in compliance with international conventions etc. This paper adequately explains the issues in detail while proposing recommendations as well.

We are thankful to the Pakistan Institute for Parliamentary Services for collaborating to produce this important piece of literature that can be useful for all those interested in making devolution work.

Rolf Paasch

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September 2018

Preface

Parliamentary democracy is based on age old traditions of public participation, inclusivity, pluralism, accountability and transparency, which are hallmarks of effective Parliaments the world over. The preamble of the Constitution of Pakistan reflects the vision of founding fathers as envisaged in the Objectives Resolution that chose parliamentary federal democracy and a welfare state system cherishing provision of rights to all citizens.

The 18th Constitutional Amendment unanimously passed by the parliament on 10th April, 2010 is a landmark towards institutionalizing the federal spirit of the Constitution through decentralization and empowerment of the federating units to own responsibility of numerous subjects in order to secure good governance that delivers efficiently through optimum utilization of resources and more importantly ensures effective service provision as aspired by the people at grass root levels.

This position paper on devolution of tourism in Pakistan is a case study that aims to study and unveil issues between federal and provincial governments in implementing the 18th amendment viz a viz tourism and to seek way forward in resolving the challenges so that the objective of administrative decentralization and devolution trickles down to greater number of people i.e. strengthening and spreading tourism in the country without adversely affecting standards and best practices. The paper is prepared by Ms. Farahnaz, who is lawyer by profession and has ardent interest in studying governance issues in Pakistan. PIPS acknowledges the efforts of the researcher in putting together various facets of the issue in this paper that provides essential information and analysis on the issue of devolution of tourism in the country and identifies policy options and way forward for members of parliament, standing committees and the government.

We extend our special thanks to our partner Friedrich-Ebert-Stiftung (FES) for their kind support in preparation of this case study on devolution of tourism in Pakistan.

I wish you happy reading!!!

Please do not hesitate to contact PIPS at research@pips.gov.pk for any of our research publications.

Zafarullah Khan
Executive Director,

Friday, September 28, 2018
Islamabad

Abstract

Pakistan's tourism sector was devolved to the provinces under the 18th Constitutional Amendment. The amendment had been unanimously passed by the parliament and notified in the Gazette of Pakistan on April 20, 2010. Ministry of Tourism ceases to exist at the federal level and the responsibility of tourism development was devolved to the provinces, yet the tourism sector continues to face new challenges as provinces still do not enjoy complete degree of autonomy that they require including transfer of invaluable assets such as hotels and motels as well as employees of the public sector Pakistan Tourism Development Corporation (PTDC) at the federal level. In this context, this research attempts to discuss the lingering contentious issue of "devolution of tourism" in Pakistan. With the aim to provide an objective analysis to the members of parliament and committees working on devolution in the Senate and the National Assembly of Pakistan, the paper discusses not only key challenges the tourism industry but more importantly endeavors to draw a viable way forward based on the international best practices on how to overcome the challenges and to develop and promote tourism sector. It finally highlights the need for an effective tourism body that is vital for the promotion of tourism.

Devolution of Tourism in Pakistan

Chapter 1

1.1 Introduction

The tourism industry has emerged as one of the fastest growing industries in the world and has immensely contributed to the socio-economic development of many developing and underdeveloped countries through employment generation, infrastructure development and export revenues.¹ It offers the means to promote tangible, intangible and natural cultural assets. There are many examples such as Sri Lanka, Thailand, Malaysia, Turkey and India that show how the thriving tourism sector can have positive impact on economic growth and development of the country.²

Pakistan's tourism sector was devolved to the provinces under the 18th constitutional amendment. The amendment had been unanimously passed by the parliament and notified in the Gazette of Pakistan on April 20, 2010.

After passing of the 18th constitutional amendment, the ministry of tourism ceases to exist and the responsibility of the Department of Tourism Services (DTS) regional offices in all the four provinces were handed over to provinces and they are now working under respective tourism departments and therefore do not have any formal link with the DTS office working at federal level.³

In Pakistan, the tourism sector is facing new challenges due to devolution of its powers. There are several outstanding issues such as

settling the issue of assets between federal and provincial governments, adjustment of employees working for the previous federal ministry and the Pakistan Tourism Development Corporation (PTDC) working under it, overall regulation of the sector in the country as well as its, policy making framework and representation of country's tourism industry at the international level, compliance with several international conventions signed by the federal government and licensing of different players in the tourism industry.

It is the need of the day that focus is to be shifted to this high potential sector and an integrated approach based on international best practices need to be adopted for using the sector as an important engine of economic growth and employment generation like in many developing countries.

1.2 18th Constitutional Amendment and the Effects of Devolution

The 18th Constitutional Amendment was passed unanimously with support from all political parties in the Parliament and lauded by the provinces. The Constitution (Eighteenth Amendment) Act, 2010, received the assent of the President on April 19, 2010 and was promulgated erstwhile.⁴ It has altered the functional responsibilities of different levels of government. It has abolished the Constitution's Concurrent Legislative list and amended the Federal Legislative List (Parts I and II). The previous concurrent list's functions have been devolved to the provinces and no less than 17 federal ministries have been devolved.

1. Tourism as a driver of economic growth and development, confederation of Indian industry.

2. Imrana Tiwana 'situational analysis on culture in the four provinces of Pakistan' UNESCO. <http://unesco.org.pk/culture/documents/situationanalysis/Situational_Analysis_Culture_in_the_Four_Provincespdf>, accessed 15 August 2018.

3. The Implementation Commission, Inter Provincial Coordination Division, p176

4. The Implementation Commission, Inter Provincial Coordination Division.

The amendment has also transferred certain subjects from Part I of the federal legislative list comprising those functions allocated exclusively to the federal government to Part II, making them a joint provincial–federal responsibility under the Council of Common Interests (CCI).⁵ Consequently, under the 18th Amendment, there is a more balanced distribution of functions between the federal and provincial governments, thereby greatly empowering the provinces.⁶

The concept is to strengthen federating units, which in turn, will result in stronger federation. It will empower the provinces to decide matters at their level in which they never had full degree of autonomy that they required.⁷

Prior to the 18th amendment, the tourism sector is an interesting case as it was not exclusively in the domain of the federation. Being part of the then concurrent list, provinces were free to promote tourism in their respective jurisdictions. Yet, the state of tourism was suffering and was far from perfect anywhere in Pakistan.⁸ Now, after the 18th amendment that the ministry of tourism ceases to exist,⁹ the work on developing the National Tourism Policy was deferred as the responsibility of tourism development was devolved to the provinces.¹⁰

5. List of changes from Federal Legislative Part 1 to FFL part II attached as Annexure A.

6. Aisha Ghaus- Pasha 'Making Devolution Work in Pakistan' The Lahore Journal of Economics (September 2012): pp. 339–357.

7. 18th Amendment Constitutional Reforms in Pakistan.'Devolution of Power, revisiting 18th Amendment.

8. Shahzada Irfan Ahmed 'Devolution 'The road just taken'.

9. Attached as Annex A

10. The Implementation Commission, Inter Provincial Coordination Division.

Chapter 2

2.1 Potential and Performance of Tourism in Pakistan

2.1.1 Domestic Tourism in Pakistan: Domestic tourism in any developing country is a more pronounced activity compared to international tourism. There has been a significant increase in

the annual tourism rate and business traveling in Pakistan since 2010. According to a survey by PTDC about 80 million domestic tourists annually travel for tourism purposes within the country, consequently, domestic travellers have increased by 30%.¹¹ Domestic travel expenditure is expected to increase 5.5pc in 2018 to Rs1.24tr, and jump 5.6pc per annum to Rs2.13tr in 2027.¹²

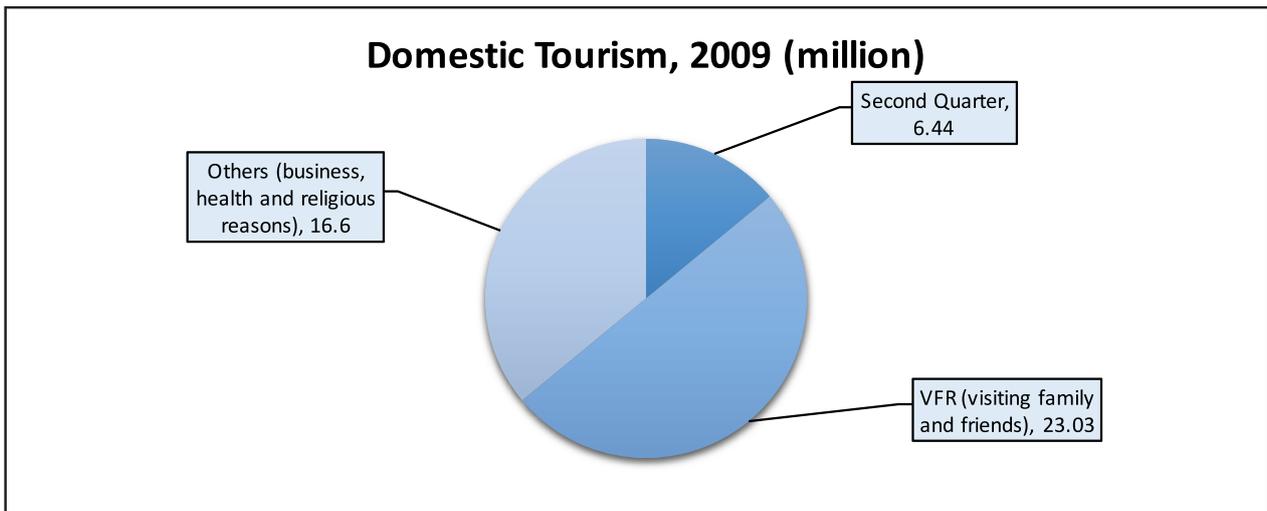


Figure1: shows domestic tourism in Pakistan in 2009.¹³ Total numbers of foreign tourists were 46.07m.¹⁴

2.1.2 Foreign Tourism in Pakistan

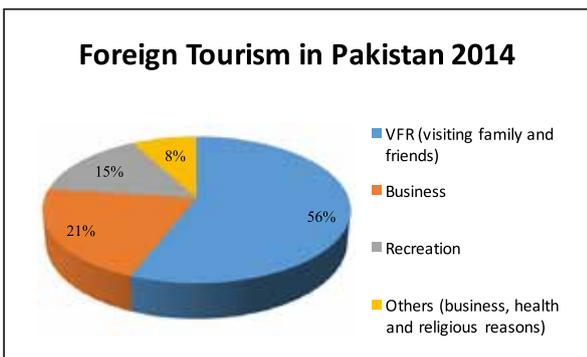


Figure 2

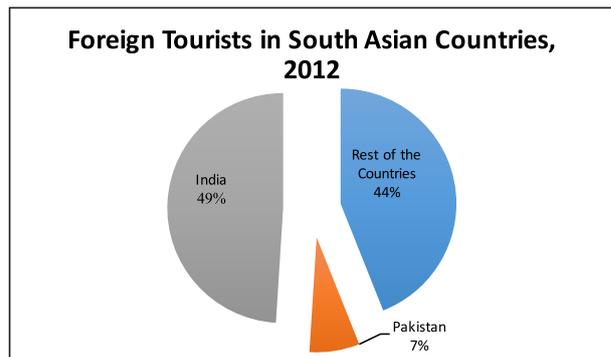


Figure 3¹⁵

11. Figure based on Domestic Tourism Survey – 2000 by Ministry of Tourism.

12. World Travel and Tourism Council (WTTC) 2017.

13. Aftab Rana, Tourism Development in Pakistan.

14. Figure based on Domestic Tourism Survey – 2000 by Ministry of Tourism; Pakistan Tourism Facts and Figure, 2009, Published by the Ministry of Tourism, Government of Pakistan.

15. Atithidevo Bhava, India Tourism Statistics 2014

Pakistan’s share of the global tourism market in 2012 was only 0.09%; which is way below its potential. In South Asia, Pakistan’s share out of

a total of 18.26 million foreign tourists was 7%; compared to India’s share of 49%.¹⁶

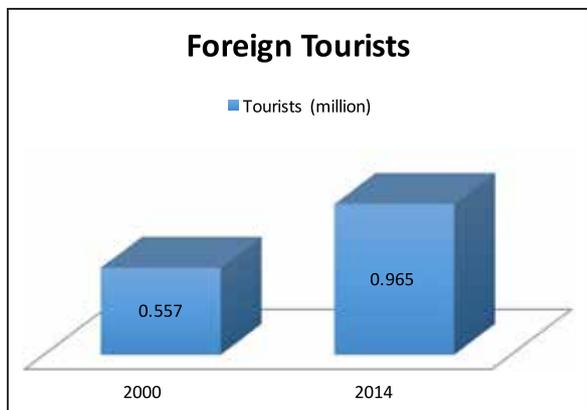
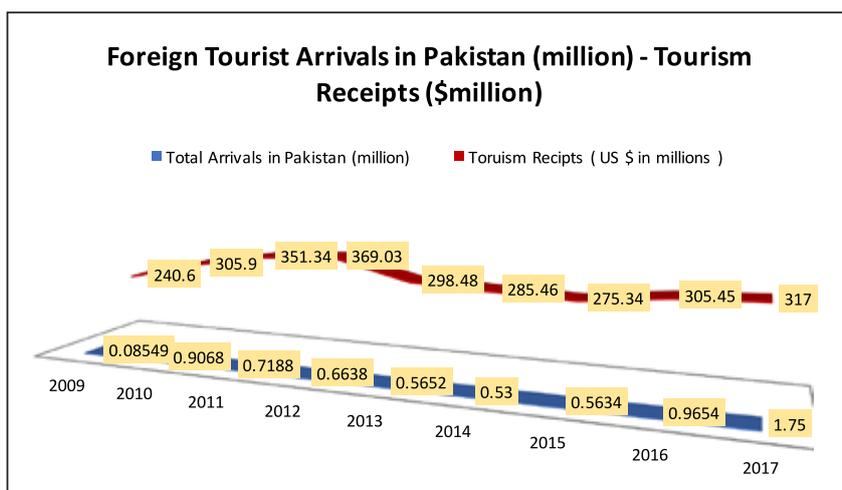


Figure 4: 2014 Total numbers of foreign tourist globally were 1138m, 0.965m visited Pakistan. In the year 2000,0.55m visited Pakistan.



Figure: 5¹⁷



Years	Total Foreign Tourist Arrivals in Pakistan	Tourism Receipts (US\$ in millions)
2009 0	.8549	240.60
2010 0	.9068	305.90
2011 0	.7188	351.34
2012 0	.6638 3	69.03
2013 0	.5652	298.48
2014 0	.5300	285.46
2015 0	.5634	
2016 0	.9654	
2017 1	.7500	

Figure 6: Foreign tourist arrivals in Pakistan from 2009 to 2017¹⁸

Hence, country’s domestic and foreign tourism continues to increase manifold in the devolution phase but we are far behind from many developing countries primarily due to lack of federal-provincial coordination to take it forward through mutual cooperation.

2.2 Tourism sectors of Sri Lanka, Malaysia and India in Comparison to Pakistan

People, economic parity and life styles in Sri Lanka, Malaysia and India, share similarities

16. Atithidevo Bhava, India Tourism Statistics 2014
 17. Hamza Naveed ‘Pakistan in the global tourism industry’ March 3’2018
 18. Aftab Rana, Tourism Development in Pakistan; Tourism in Pakistan.

with Pakistan but unlike our tourist industry their tourism sectors are thriving. However, it is interesting to note that none of them has decentralized their tourism and culture sectors. Rather they have evolved tourism-friendly policies, followed by adequate investments in infrastructure and immense facilitation of visa processing. They do not fear any national security breach.

2.2.1. Sri Lankan tourism has had many setbacks during the last two decades, due to the uncertain security situation that prevailed in the country and then the Tsunami of 2004 which devastated many tourist hotels located along the coastal belt. Yet, their tourism industry has shown much resilience in the face of all these adversities.¹⁹ Since the end of war in May 2009, there has been a boom in the tourism industry which has become one of the main sources of foreign exchange for Sri Lanka.²⁰ The Sri Lankan government recognizes the importance of tourism development and prioritizing the tourism sector as one of the important sources of income. They achieved the target of more than 2.5 million tourists in 2017. In order to promote tourism, the government in Sri Lanka branded their country as 'Wonder of Asia.'

2.2.2. India is a good example of tourism in Asia; its tourism sector is growing rapidly. The sector is predicted to grow at an annual rate of 6.8 per cent by 2027.²¹ The country has been able to maintain, develop and market its historical and heritage sites to the world. The ministry of Tourism of India is a Government body; they have taken measures

to develop tourist sites with special attention to development of infrastructure. To promote tourism, the government has advertised tourism under the banner of "Incredible India" that has shown amazing results. Under this marketing strategy, India has developed its tourist attractions especially for the tourists from the western countries.²²

2.2.3. Malaysia Truly Asia: Pakistan could enrich itself from Malaysian experience which is one of Southeast Asia's wealthiest and most developed countries.²³ Malaysia has not devolved its tourism and culture sector, the government is endeavouring to increase tourism with the aim to diversify its economy so that it's not solely dependent on exports. Tourism is third largest foreign exchange earner for Malaysia and it is ranked among the top nine world's most visited country behind Germany. In order to promote tourism the government launched a worldwide marketing campaign called 'Malaysia Truly Asia' which was successful and brought in over 7.4 million tourists, which helped the country's economy during the economic crisis in 2008.²⁴ Tourism sector in Malaysia has contributed to the economic growth by attracting more investment as well as increasing job opportunities.²⁵

Pakistan has lagged behind its South Asian neighbours. It needs to market itself as a tourist destination. The question arises why Pakistan cannot brand its much beautiful landscape, topography, flora, fauna and four seasons? Tourism sector of Pakistan can be branded as **"Pakistan the Magnificent"** or **"Pakistan - Land of Adventure And Nature"**. Since

19. Sri Lanka Sustainable Tourism Development Project, Environment Assessment and Management Framework.

20. Kalaichelvi Ravinthirakumaran, Tourism and Economic Growth Nexus in Sri Lanka

21. World Travel and Tourism Council

22. Promotion of Tourism in Pakistan, Pakistan Institute of Legislative Development And Transparency (PILDAT).

23. Iqbal Mirza, Lacunas in 18th Amendment hurting tourism industry.

24. Warshaw, Steven, and A. J. Tudisco. Southeast Asia Emerges; a Concise History of Southeast Asia from Its Origin to the Present. [Berkeley, Calif.]: Diablo, 1975. Print. pp. 77.

25. Munir Ahmed, 'Tourism sector remains untapped,' The Daily Times, published on May 2'2017, accessed on July 5'2018

Pakistan is blessed with great natural beauty, cultural diversity and rich historical²⁶ civilizational heritage. There is a need to promote tourism by working towards our marketing strategies, law and order situation, infrastructure development, investment through public private partnership and ensuring quality standards, in order to attract foreign tourists of Western Europe, North America and Far East, which will help in increasing the foreign exchange like the rest of the developed countries.

From the past two decades, Pakistan has lost the tourism industry due to the war on terror, and so many beautiful places and buildings have been destroyed. Pakistan needs to eradicate terrorism as tourism cannot be promoted till we guarantee security of life and property. In order to bridge the gap, there is a need for an effective body having representation of all the provinces as well as tourism organization in private and public sector to revive tourism in Pakistan.

26. Historical sites: Hiran Minar, Noor Mahal, Wazir Khan mosque, Mohenjo Daro, Makli, Minar-e-Pakistan, Tomb of Jahangir, Rohtas Fort, Bab-e-Pakistan monument, Fasil Masjid, Takht Bhai, Badshahi Mosque, Derawar Fort and so on.

Chapter 3

3.1 Political Parties' Manifestoes 2018 & Pledges on Tourism

1. Pakistan Muslim League (Nawaz) (PML-N)
2. Pakista Tehreek-e-Insaf (PTI)
3. Pakistan People's Party (PPP)
4. Balochistan Awami Party

3.1.1 Pakistan Muslim League-Nawaz (PML-N):

In the wake of July 2018 elections, PML-N intended to take aggressive steps in marketing Pakistan as a tourist destination and invest in creating areas of tourist excellence. It promised to convert tourism to a USD 10 billion significantly fueling GDP growth industry that will generate precious foreign exchange and create millions of local jobs.²⁷

They intended to increase the foreign direct investment and economic growth with focus on marketing Pakistan as an open-for-all-tourist getaway.

- a. Increased Inflow:
 - Increased international tourist arrivals to 1.75 million and domestic tourist to 38.3 million tourists
 - Established motorway networks throughout the country to increase accessibility to tourism destinations. Improved the modern inter-city transport system to improve the quality of tourist services
- b. Improved accessibility:
 - Established motorway networks throughout the country to increase accessibility to tourism destinations

- Introduced Lahore sightseeing, double decker bus service, metro bus in Lahore, Rawalpindi and Multan) and upcoming orange train to broaden the tourist network
- Renovated cultural and religious landmarks across Punjab in collaboration with World Bank Group (WBG) with a total project cost of USD55M
- Developed infrastructural facilities at important Sikh sites

Commitments for 2018-2023:

- To create world class "National Tourism Digital Directory" to ease access of information to tourists
- Establish National Tourism Authority with representatives across various ministries
- Provide visa on arrival for tourists/businessman from selected countries
- Upgrade Skardu airport to international standards
- Maintain and restore national heritage sites
- Develop tourism resources in both Northern and coastal regions of Pakistan
- Develop an equitable and transparent process for asset and land leasing
- Develop international standard infrastructure at religious tourist sites
- Rebrand Pakistan by:
 - Improve Pakistan ranking to top 50 on tourism and competitiveness index
 - Encourage the world to visit and do

27. Tourism Brand Pakistan 'Vote Ko Izzat do-Khidmat ko vote d',Pakistan Muslim League Manifesto 2018

- business in Pakistan through high profile international campaigns
- Promote a culture of prioritizing visits to local tourist resorts
- Capitalize on the opportunities provided by CPEC to encourage Chinese tourism

3.1.2. Pakistan Tehreek-e-Insaf (PTI)²⁸

Boost the tourism industry: PTI promised to turn around the tourism industry to improve Pakistan's international image and increase its direct contribution to GDP.

PTI believes that: Tourism in Pakistan has immense potential given our diverse culture, heritage and natural endowment. However, for now it is a missed opportunity owing to multiple reasons including the war-on-terror, minimal marketing, poor public and private sector infrastructure and services. In order to boost tourism PTI will:

- Promote and position Pakistan as “Asia's Best Kept Secret” in the global tourism market
- Champion tourism in places including and beyond the northern areas of Pakistan – especially along the Indus and the historic sufi sites of Punjab, Sindh and Balochistan
- Develop 20 new tourist destinations in 5 years; 4 each year
- Implement a framework to incentivize private sector investments in upgradation and development of new facilities which in particular would encourage “themed” tourism such as eco-tourism and other special incentives
- Open all government guest houses to the public

- Undertake the uplift of public's accommodation infrastructure and transport services across all, from hostels to 5-star facilities
- Aggressively encourage entrepreneurship, especially by SMEs, to boost economic value and job creation in the tourism industry
- Improve processes to issue tourist visas, in particular for groups and champion initiatives, which strengthen our visa on arrival programme
- Eliminate the NOC condition for high potential tourist destinations (as has already happened in Malakand)
- Support TVET curriculum and institute development to upskill human capital in hospitality to fulfill the supply side deficit of skilled labour

3.1.3. Pakistan People's Party (PPP): During PPPs last tenure tourism industry was badly hit as a result of external and internal conflict. The Swat valley-once known as the Switzerland of Asia, was considered a tourist heaven, but its image has suffered greatly due to the rise of militancy and the fallout from the military operation to flush out extremist elements. PPP in its last tenure, launched tourism weeks to promote the Swat valley as a tourist destination and helped secure efforts to preserve heritage and historical buildings, through a public-private partnership, Ms. Fatima Jinnah's property, Mohatta Palace were rescued from ruin and converted into a museum complex where entry is free of charge, providing citizens a chance to view art and cultural exhibits.²⁹ PPP in its 2018 manifesto has not discussed tourism, hence is silent on the subject.

28. The Road To Naya Pakistan, PTI Manifesto 2018

29. PPP 2013 manifesto is attached as Annex E

3.1.4. Balochistan Awami Party (BAP):

Balochistan Awami Party is silent over their tourism manifesto. The party is fairly new, it was founded in March 2018.

3.1.5. Tourism in Provinces

which was the most neglected sector prior to 2013 has witnessed massive turnaround during last government of PTI in Khyber Pakhtunkhwa, where record number of projects and schemes were completed, besides significant increase in development budget of tourism sector has been witnessed. KP government has done a good job in improving the tourism sector compared to the other provinces. Prior to PTI government in Khyber Pakhtunkhwa, tourism was kept on 30th position in priority list in public sectors departments and corporations in term of funding and now it has attained 8th position, thus showing PTI's priority for this key sector.

PTI government claims, it could have done much more but lacked funding as the federal government was reluctant in devolving the assets of the PTDC, which should have devolved post 18th amendment. The PML (N) government in Punjab also improved tourism and introduced enhanced infrastructure in the province and improved transportation yet they were expected to do much more since they were in the government for five years at the federal level. During 2013-18, provincial governments of Sindh and Balochistan could not achieve much in the tourism sector.

Now that PTI is elected in power, it is a challenge as how they may promote tourism all over Pakistan.

Chapter 4

4.1 Governance of Tourism

The core issue of tourism development in Pakistan is the management and organization structure to run this sector. Learning from the experience of other countries tourism administrations, it is possible to make comparisons and compare role of models best suited to Pakistan. There are many models to choose from as almost all countries in the world have tourism management bodies of some kind or the other. Before making any recommendations for the improvement of the coherence structure of tourism sector in Pakistan, it is necessary to look at and evaluate the present organization and management structures which have been in place in Pakistan for the past 46 years.³⁰

4.2 Department of Tourism Services (DTS) was established in 1976 after promulgation of the following three Acts to ensure the standard and quality of facilities to be provided by the hoteliers, tour operators and travel agents.

1. The Pakistan Hotels and Restaurants Act 1976³¹
2. The Pakistan Tourist Guides Act 1976³²
3. The Travel Agencies Act 1976³³

DTS has been mainly responsible to enforce these Acts in the country as a whole and to ensure that tourists are provided with the facilities promised to them. DTS has been functioning based on totally outdated laws which are not acceptable either in Pakistan or internationally. This is compounded by the fact that those responsible

for licensing, standards and enforcement are unqualified in their task. They are basically untrained and lack experience in what is now a highly professional and international sub-sector of the tourism industry. It nevertheless remains unable to implement and ensure quality of tourist services. Accreditation of hotels is not credible, whereas certification of tourist guides is weakly implemented. Information on tours and tourists' guides remains scanty and inadequate. Nor there is any fitness certification implemented for vehicles hired by the tourists neither is there any standardization of transportation rates between different destinations. After the 18th amendment, the DTS regional offices in all the four provinces were handed over to the provinces and are now working under respective tourism departments and they do not have any formal link with the DTS office working at the federal level. This situation has further deteriorated the performance of DTS. As a result there is no standardization or quality control of the tourism product and the travel agents, tour operators and hotels in private sector are dissatisfied with the public sector tourism organisations due to lack of involvement in promotion and cooperation.³⁴

In order to promote tourism and to facilitate the tourists, The Khyber Pakhtunkhwa government made amendments to the 1976 Act.

- 1) The Khyber Pakhtunkhwa Hotel & Restaurants (Amendment) Act 2013.
- 2) The Khyber Pakhtunkhwa Travel Agencies (Amendment) Act 2013
- 3) The Khyber Pakhtunkhwa Tourist Guides (Amendment) Act 2013.

30. Ministry of Minority, Religious Affairs and Tourism was created in 1972, though this Ministry was disbanded in 1976 when the Tourism Division became part of the Ministry of Commerce.

31. Attached as Annex F

32. Attached as Annex G

33. Attached as Annex H

34. Aftab ur Rehman Rana 'A Position Paper on Challenges Faced by Tourism Industry of

The Sindh government has also made amendments to the existing Acts which are:

- 1) The Sindh Hotels and Restaurants (Amendment) Act 2018
- 2) The Sindh travel agencies (Amendment) Act 2011
- 3) The Sindh tour guides Amendment) Act 2011.

Other provinces are so far silent over amendments to the Acts; there is a dire need for the amendments in order to bring standardization and quality control of tourism product as par to the international standards.

4.3 Pakistan Tourism Development Corporation (PTDC):

Pakistan Tourism Development Corporation (PTDC) was established as a public limited Company registered under the Companies Act in April 1970 under the repealed Companies Act 1913 (now the Companies Ordinance 2016).³⁵ This ordinance repealed the Companies Ordinance 1984. It operates under its own corporation rules and regulations. It is governed by a Board of Directors (BoD).³⁶ The chairperson is either appointed by the government or the position is held by the minister of tourism in the absence of an appointed chairperson. The chief executive is the managing director who is the principal reporting officer to the board. In most of the cases, the appointment of the managing directors has been as per the discretion of the Prime Minister of Pakistan.³⁷

PTDC was created to be the government's arm and thrust for tourism infrastructure development all over Pakistan, to promote and market Pakistan as tourism destination in foreign as well as domestic markets and to encourage the private sector to play an active role in tourism development and to undertake tour operations and provide ground handling facilities.

After the devolution of federal ministry of tourism, 39 PTDC motels³⁸ are still with the centre, the federal government annually issues Rs 200 million grant to PTDC out of that Rs 180 million is spent on the salaries of the employees, according to an official of PTDC, hardly Rs10 million is annually spent on tourism, since 2011 PTDC has not received any grant for its development budget from the federal government,³⁹ due to which it has now become difficult for the management of the PTDC to pay salaries of its staff and meet overhead expenses.⁴⁰ On the other hand, provincial tourism authorities are demanding the devolution of PTDC to get control of the properties managed by corporation in their respective provinces.

There is a need to restructure the role of PTDC, for marketing and promotion of Pakistan as a tourist destination in collaboration with provincial tourism promotion bodies and private sector stakeholders. It is recommended that the assets presently owned by PTDC should be privatized and funds generated through this activity should be invested to create an endowment fund for the smooth functioning of the activities of the provincial tourism bodies.⁴¹

35. Companies Ordinance 2016 (Pakistan)

36. List of members of PTDC Board of Directors, attached as Annex B

37. The Global Perspective of Tourism, International Tourism Markets.pp13.

38. List attached as Annexure C

39. Riazul Haq 'PTDC ownership question rattles Senate panel 'The Express Tribune, published on 12th September 2018, accessed on 12th September'2018 '<https://tribune.com.pk/story/1801016/1-ptdcs-ownership-question-rattles-senate-panel/>'

40. Since PTDC is a public limited company, it should be able to cover their overhead expenses and pay salaries to its staff, the government is not responsible to pay them salaries or cover their expenses.

41. Tour of Provinces <https://jang.com.pk/thenews/aug2013-weekly/nos-09-08-2013/spr.htm#2>, accessed on 1st August 2018.

The transfer of PTDC properties to provinces (wherever they are located), is an issue far from being resolved. These properties worth billions of rupees are the focus of provinces that want to take them over without any delay. The PTDC properties carry an unbelievably high price; especially the Flashman Hotel in Rawalpindi is worth Rs72 billion and the 25 acres of land behind the Islamabad Club also worth a lot. The corporation has property of Rs500 to Rs600 billion.⁴² The Malam Jabba resort has already been handed over to the KP government on 27th June 2013; which is keen to gain control of the remaining.⁴³ Three aspects of the PTDC need to be settled i.e.:

- 1) **Assets:** Assets of PTDC should be transferred to its respective provinces, commercial viability of assets of PTDC has to be ascertained. A liquidator should be appointed to evaluate the value of each hotel/motel/resort and should be sold to the interested parties according to their present market rate after adjustment of current liabilities. One solution could be that assets are distributed to provinces in which these properties are located and similarly property in Islamabad will go to federal government.
- 2) **Employees** should be transferred to the provinces and should be paid their arrears as the nine employees of the Malam Jabba resort have been transferred to the provincial government.
- 3) **Governance:** The most important and controversial factor is the governance of the PTDC. Provinces are keen to get hold of the assets of the PTDC whereas

the Centre wants to retain it. In order to promote tourism, the KP government believes that PTDC must be transferred to the provinces. Khyber Pakhtunkhwa government is a prime example amongst other provinces; which claims to have given enormous boost to tourism since devolution.

4.4 The Interest of the Federal Government in Retaining Pakistan Tourism Development Corporation Assets:

The federal government has decided to retain the assets of PTDC that is worth billions of rupees and located on prime locations. The cabinet division secretary⁴⁴ apprised the Islamabad High Court (IHC) that the federal government wanted to retain the PTDC and its assets because tourism is a federal subject. The corporation's management filed an appeal against vacating the stay order that prohibited the provinces from occupying PTDC hotels and motels. The PTDC management wanted the federal government to retain the corporation, according to PTDC director the federal government does not need an amendment in the constitution to retain the corporation as it was a body registered under the Companies Act and therefore could not be devolved to the provinces.

However, according to some legal experts, the federal government could only retain PTDC if there is a constitutional amendment to undo the devolution of tourism ministry; otherwise any step taken by the federal government is unconstitutional.⁴⁵ PTDC had filed a petition in the IHC seeking permission to retain the

42. Ibid,38

43. Malam Jabba Resort devolved to K-P government, published in the Express Tribune, on June 28'2013.

44. Cabinet Division Secretary Nadeem Hassan Asif apprised the Islamabad High Court in November 2017 that the Federal government wanted to retain PTDC and its assets.

45. Syed Irfan Raza, Centre wants to retain Pakistan Tourism Development Corporation assets, November 13'2017.

corporation as the federal entity, whereas the provinces were keen to occupy all PTDC hotels and motels.

The major constraint in devolution of PTDC is that all the assets of the corporation are not solely owned by the government. Private shareholders and employees also own some of the shares. The government owns 87.999% shares in PTDC whereas 0.001% are owned by the private shareholders and 12 % by the employees, the employees were given a share by the PPP government under the Benazir Employees Empowerment Program.⁴⁶

Under the 18th Amendment, the responsibility of tourism development was devolved to the provinces, but the fate of PTDC's 39 motels and resorts located in different parts of the country, mostly in the KP, still hangs in the balance as the provinces wanted to get these assets and the centre wanted to retain control of them.⁴⁷

At the time of the tourism ministry's devolution to the provinces it was decided by the PTDC's management that a liquidator would be appointed to evaluate actual value of each hotel/ motel/resort and they would be sold to the interested parties according to their value or present market rate, after adjustment of the current liabilities such as gratuity, leave increment, provident fund and other benefits. However, later, the liquidation process was opposed by the management of the corporation.⁴⁸

4.5 Litigation in the Courts: Peshawar High court and Islamabad High Court

Since the devolution of the tourism ministry, the

provinces were eager to occupy almost all PTDC hotels and motels. However, the corporation has been resisting the move and moved the court.

A two-member bench of the Peshawar High Court in 2014 restrained the Pakistan Tourism Development Corporation (PTDC) from leasing out the tourism related assets and properties in KP⁴⁹ which were devolved to the province after the passage of the 18th amendment.⁵⁰ A petition was filed by the Tourism Corporation KP (TCKP) through its managing director, against the PTDC as they argued that the advertisement published in two newspapers inviting bids for lease of the PTDC properties for 30 years was illegal and unlawful as it was devolved to the provinces after the 18th amendment.⁵¹

The petitioner's counsel (i.e. TCKP), argued that in pursuance of the 18th amendment the concurrent legislative list was abolished and all its subjects were devolved to the provinces accordingly. Since PTDC was attached with the federal ministry of tourism, it was abolished and devolved to the provinces, whereas the attached formations of the devolved ministry located in Khyber Pakhtunkhwa, including Pakistan-Austrian Institute of Tourism and Hotel Management (PAITHOM), Department of Tourism Services (DTS), Malam Jabba Resort Limited (MJRL) were transferred to the province.

After the KP government issued a notification on April 4, 2011, to assume administrative control and management of the PTDC assets and employees, under this notification on September 1st 2014, Khyber Pakhtunkhwa secretary issued notification for taking into possession the assets of the company.

46. Mr Adil Zaidi, Manager Accounts officer, PTDC, Pakistan and Mr Ilyas Khan Managing Director PTDC.

47. Syed Irfan Raza, Centre wants to retain Pakistan Tourism Development Corporation assets, November 13'2017.

48. Ibid. <https://www.dawn.com/news/1370124>

49. Peshawar High Court.Gov.PK

50. PTDC stopped from leasing out tourism assets in KP, Published 5th September'2014. (<https://www.dawn.com/news/1129950>)

51. Peshawar High Court Peshawar

A petition was filed by PTDC managing director through its counsel stating; “the provincial government can take the control under the 18th amendment if it makes legislation for [managing the assets].”⁵² “The law has to clearly define the role of employees, monitory management of assets and arrangements for the payment of the arrears of employees.” The court was informed that the assets of the PTDC were to be controlled by the provincial government without clarity on the future of the employees and their payment of their arrears.⁵³

The counsel argued that the PTDC was set up under the Companies Ordinance 1984 (now the Companies Ordinance 2016) and the permission of the board of director is necessary before taking over control of the assets.

On 25 September 2013, the National Industrial Relations Court gave an order in favour of the employees, saying the provincial government can take over the charge if it makes legislation and provides due protection to employees.⁵⁴

After hearing arguments, the bench restrained the provincial government from proceeding further on the notification issued to take over PTDC assets and employees.

The provincial governments, instead of pursuing legal or constitutional course, misinterpreted 18th amendment of the constitution and started harassing and interfering in the matter by forcibly taking over the property and control of the corporation under the supervision of the inspector general of police and other state functionaries of the KP government-without taking into confidence the federal government.⁵⁵

A single bench of Islamabad High Court suspended KP ministry of tourism notification dated September 01, 2014 for assuming administrative control, management of assets and employees of PTDC’s 19 hotels at the key recreational locations including PTDC’s motels in Saidu Sharif, Swat, Balakot, Chitral, Manshera, Dasu, Naran and Abbotabad.

The petitioner maintained before the IHC that PTDC is a distinct legal entity owning and possessing billions of assets nationwide and should not be devolved to the provinces since 87.999% of shares are owned by the Government of Pakistan.⁵⁶

The petitioner informed the court that after passing of the 18th amendment, tourism was included in the provincial list but some question remained unanswered like whether this amendment required winding up of this PTDC as a corporation? Whether it can be transferred to the provincial governments free of cost and compensation despite of the fact that 87.999% shares are of federal government?

In this transitional period the ministry of Inter-Provincial Coordination (IPC) and a joint secretary on July 22, 2014 issued a memorandum under which prime minister approved the transfer of PTDC and its subsidiaries from the cabinet division to ministry of IPC.⁵⁷

The petitioner PTDC made compliance of the above memorandum but legally speaking, winding-up PTDC and its subsidiaries cannot take place unless liquidator is appointed, assets are transferred to the provincial governments, commercial viability of assets of PTDC has to

52. Tourism turf war: KP govt restrained from taking charge of PTDC motels, published in the Express Tribune on September 6’2014.

53. PTDC stopped from leasing out tourism assets in KP, published September 5’2014.

54. Tourism turf war: KP govt restrained from taking charge of PTDC motels, published in the Express Tribune on September 6’2014.

55. Tourism turf war: KP govt restrained from taking charge of PTDC motels, published The Express Tribune September 6’2014. <https://tribune.com.pk/story/758441/tourism-turf-war-k-p-govt-restrained-from-taking-charge-of-ptdc-motels/>.

56. Shahid Rao, IHC suspends notification for taking charge of 19 PTDC motels, Published:September 26’2014.

57. Ibid.

be ascertained, the service structure, benefits, emoluments and future of the present employees.

On October 23, 2013 PTDC Board of Directors (BoD) held its 78th meeting wherein it was decided that evaluation of the assets on market rates be carried out and concerned respondent were also present in the meeting.

The petitioner contended that the corporate sector in Pakistan is governed by the Companies Ordinance, 1984 (now the Companies Ordinance 2016) and modes of winding up were defined in the said ordinance were either by the Court or Companies Ordinance, 1984 voluntary or subject to the supervision of the court.

In the 76th meeting of the PTDC BoD on April 04, 2013, proposed and suggested that a liquidator shall be appointed to determine the liabilities of the corporation, the salaries, benefits and other emoluments etc, for the employees. However, the liquidation process was opposed by the management of the corporation.⁵⁸

The Islamabad High Court has stopped all the provinces from occupying the property of PTDC and assuming its control.

Since PTDC has refused to relinquish the control of its various motels and other properties, the matter has been taken to the Council of Common Interests (CCI).

58. Syed Irfan Raza, Centre wants to retain Pakistan Tourism Development Corporation assets, published in Dawn on November 13th 2017.

Chapter 5

Comparison of the Provincial Tourism Corporation--before & after the 18th Constitutional Amendment

Provincial Tourism Management Bodies

5.1 Tourism Development Corporation of Punjab (TDCP):

In 1987, the Punjab government established Tourism Development Corporation of Punjab (TDCP) as a public limited company to facilitate the affairs of tourism for the province. Due to personal interest of the then Chief Minister initial assets was given to TDCP in terms of land, properties and financial resources and within few years TDCP established its name as the most active public sector tourism organization in the country.⁵⁹

TDCP with its head office in Lahore has established a network of regional offices at Bahawalpur, Multan, Rawalpindi and Murree. During the last 30 years, TDCP has established a number of tourist resorts at locations such as Patriata near Murree, Kallar Kahar, Fort Manro, Changa Manga, Lalsohanra National Park and some road side restaurants on the GT road and on the way to Murree. It has also published pamphlets, brochures and booklets for the promotion of the province as tourist destination and has played a role in popularizing various places in Punjab for domestic tourism. TDCP launched a city sightseeing tour service in Lahore in addition to the annual Cholistan desert rally and Murree chairlift scheme.

Following the precedent of Punjab government, later the governments of Sindh and Khyber Pakhtunkhwa also established tourism development corporations at provincial level and started work on various tourism projects in their respective regions. Yet Unlike TDCP's initial boost, tourism organizations in Pakistan, the STDC and TCKP (former STC) remained handicapped due to lack of financial resources.⁶⁰

5.2 Tourism Corporation Khyber Pakhtunkhwa (TCKP):

Formerly known as Sarhad Tourism Corporation was founded in 1991. It is committed to develop the potential of Khyber Pakhtunkhwa as a tourist friendly destination by bringing new economic development to the province.⁶¹

In 2016, KP government launched its first "Provincial Tourism Policy" after the 18th amendment. The secretary tourism with the approval of government of KP has assumed the administrative control, management of assets and employees of Pakistan Tourism Development Corporation located in Khyber Pakhtunkhwa through the managing director of Tourism Corporation Khyber Pakhtunkhwa for management of the affairs. TCKP has taken possession of nineteen properties that were previously in control of PTDC in the light of a notification issued by provincial secretary tourism.⁶²

The KP Tourism Policy was launched at the Galiyat in Changagali, it encouraged public-private partnership and commercialisation of government-run tourist facilities like rest-houses, promotion of tourist resorts and

59. Promotion of Tourism in Pakistan, Pakistan Institute of Legislative Development and Transparency(PILDAT); Punjab tourism official website <http://www.pakistantdcp.com/tdcp-introduction.html>

60. Aftab ur Rehman Rana 'A Position Paper on Challenges Faced by Tourism Industry of Pakistan

61. Tourism Corporation Khyber Pakhtunkhwa Pakistan accessed on 25th July'2018 <http://tourism.kp.gov.pk/>.

62. 19 properties TCKP has taken possession from PTDC are Kalam, Saidu Sharif, Miandam, Baffa, Chail Mankial Swat; Panakot Dir, Bamburet, Bunni, Birmoglasht, Chitral, Mastuj, Garam Chashma, Chattar Plain Manshera, Shangla, Besham, Barseen Dasu, Balakot, Naran and Ayubia; and PTDC restaurant at Chakdara, Malakand.

exploring new tourist destinations across the province.⁶³ Moreover, reforms were carried out which included roadside tourist facility — tyre shop, prayer area and tuck shop. Similarly, another Rs2.3bn will be spent on another project 'Tourism Area Integrated Development Unit' in Kalam, Naran, Chitral and Shangla. Under this project, similar facilities will be offered to tourists.⁶⁴

TCKP has also organized and participated in events like jewels of KP, international tourism exhibition, investment road show in Dubai, tour de Galiyat cycle race from Islamabad to Nathia Gali, Train Safari, Huner-e-Hawa & Huner Mela, Peshawar Colours, train safari for transgenders besides launching of the first ever tourism policy on March 16, 2016 of KP. The KP's annual development programme (ADP) for tourism, which was only Rs311.204 million in 2013-14, had jumped to record Rs811.772 million in 2017-18 and resultantly scores of mega projects were completed during tenure of PTI Government, giving enormous boost to tourism in KP. The tourism department also took pride in the fact that in just one year the department achieved target of 'generating Rs50 billion' revenue in tourism sector.⁶⁵

In the absence of international tourists, the KP government has invested billions on basic facilities for attracting domestic tourists in the province. According to the KPKtourism department, \$55 million was recently approved for developing other tourist sites like Kumrat, Jaaz Banda etc. However, all these developments are linked with the availability of land for developing tourist sites.

In the last two years, due to improved security conditions domestic tourists visiting KP surged to 20m from 8m, which is expected to keep rising in future. The provincial government is also carrying out a sectorial analysis at a cost of \$2.3m for which consultants have been hired.⁶⁶ The government of KP has also launched camping pods imported from Europe in almost all scenic areas in KP. Khyber Pakhtunkhwa has emerged as the foremost province in developing a provincial tourism policy which it is consequently implementing with intention to develop a profile that it can handle tourism better as compared to federal entities.

5.3 Sindh Tourism Development Corporation (STDC):

STDC was established in 1994, with an aim to promote tourism in the province. It has so far only held two meetings in the last 23 years. Its first board meeting was held in 2008 as no one was interested in working on its objectives.⁶⁷

The Sindh government has demanded full control of the assets and properties of the defunct tourism and archaeology division. After the 18th amendment the Sindh government was handed over the control of Pakistan Institute of Tourism and Hotel Management (PITHM) and the Department of Tourist Services (DTS), Karachi. The remaining assets are not yet transferred which includes the Archaeological Library, Pakistan Culture and Arts Foundation Relief Fund and Museum Compensation Fund. PTDC four properties such as the Hawkesbay in Karachi, tourist information center in Thatta, a motel and tourist information centre at Moenjodaro and approximately 32 Kanal and in

63. KP government announces tourism policy, published in Dawn on March17'2016. <https://www.dawn.com/news/1246238>

64. Mubarak Zeb Khan, 'Reviving Pakistan's tourism' Published in Dawn December 11'2017.

65. KP govt announces tourism policy, published in Dawn on March17'2016.

66. Ibid.

67. Hasan Mansoor 'Sindh Tourism Development Corporation,' published in DAWN, published on January 5' 2017 accessed on 10th July 2018. <http://www.sindh tourismdevcorp.gov.pk>.

Sukkur are yet to be handed over to the Sindh government.⁶⁸

The centre is reluctant in handing over the assets to the provincial governments as the federal government quoted ex-Prime Minister Mian Muhammad Nawaz Sharif as saying: 'PTDC as a public limited corporation, set up under the Companies Ordinance 1984, it is not required to be devolved in pursuance of the 18th constitutional amendment.'⁶⁹ The former prime minister asked to review the various aspects of the devolution of the PTDC with a view to protect it as a corporate entity at the federal level, Similarly, the bureaucracy in the centre proposed to the federal government that there was legal space for the PTDC to continue to operate as a corporate entity through a resolution by its Board of Directors and for PTDC to continue its functions as a federal corporate entity and manage its assets through public-private partnership, so that it is a self-sustaining organization.

The claims of the Sindh and the KP governments could not be acceded, though the KP government even tried to forcibly occupy the motels of the PTDC which was resisted. The Sindh government also refused to accept the executive order of the then Prime Minister against the devolution of the Pakistan Tourism Development Corporation (PTDC), saying it could not override the constitution. Thus, the stalemate continued as the matter was expected to be taken up in the Council of Common Interest (CCI) by the federal ministry of Inter-Provincial Coordination.

Before the devolution, Keenjhar lake resort, Thatta, Lal Shahbaz Rest House, Sehwan, Sambara Inn, Larkana, Haleji rest house, Thatta, Laki and Kai rest houses, Sehwan and Marvi rest

house, and Mithi were the notable properties of Sindh Tourism Department. Accordingly, the Sindh government decided to raise the issue of non-transfer of assets in the Council of Common Interests (CCI). Inter-Provincial Coordination (IPC) department will send the report to provincial law department for legal opinion. Later, the case would be made and would be taken-up in CCI.⁷⁰

The officials of the tourism department of Khyber Pakhtunkhwa had approached the concerned officials of Sindh and other provincial governments to discuss the issue of non-transfer of assets of the federal tourism ministry. They decided before the CCI, that a meeting would be held in Islamabad and officials of all provincial tourism departments could make a strategy in this regard.

5.4 Balochistan Tourism Act (BTA):

Balochistan also passed the Balochistan Tourism Act on 20th May'2014. They are trying to work on tourism but nothing much has been done till date due to lack of funds and trainings Though, Balochistan is bestowed with great scenic beauty including panoramic mountains, rich cultural heritage, abundant resources, hilly stations, orchards, deserts, golden beaches, marine life, flora and fauna, archaeological sites, historic forts, prehistoric caves and rock shelter dwelling and mud volcanoes. The province has identified 64 sites with an aim to enhance natural and heritage tourism.⁷¹

5.5 Azad Jammu and Kashmir (AJK)

Drafted a tourism policy in 2016 but it has yet to be cleared by the law division. The present government of AJK under the PML-N initiated

68. Hasan Mansoor, Sindh demands control over tourism assets, rejects PM's executive order, published on January 5' 2017.

69. Hasan Mansoor 'Sindh Tourism Development Corporation,' published in DAWN, published on January 5' 2017 accessed on 10th July 2018. <http://www.sindh tourism dev corp.gov.pk>.

70. Yasir Babar 'Non-transfer of devolved ministries' assets: Sindh government to raise issue at CCI meeting.'

71. Mubarak Zeb Khan, 'Reviving Pakistan's tourism' Published in Dawn December 11'2017.

16 new projects, including building tourist resorts on some famous points of AJK and building a few roads. The investment, according to government's own data, has been paid back. In 2012, more than 600,000 tourists visited AJK.⁷²

The chief executive of AJK Tours based in Muzaffarabad claimed that his company has managed tours of more than 500 people in AJK during June 2013—none of them were foreigners and 85% of them explored the Neelum Valley. Before 2010, the Neelum Valley including several other valleys in AJK, was among prohibited areas even for local tourists. Locals used to need a no-objection certificate (NOC) to visit these areas. The AJK government abolished this prerequisite for local tourists in 2010. The road to certain areas of the Neelum Valley was also completed in 2010-11. Both these factors coupled with the law and order situation in KP and GB made AJK a favourite destination for local tourists. Foreign tourists are still not allowed to visit AJK without NOC, which usually takes 3-4 weeks to get issued.

5.6 Gilgit Baltistan (GB):

Both Gilgit Baltistan (GB) and AJK do not enjoy constitutional rights unlike the other four provinces due to which they face problems in handling foreign tourists post-18th amendment. The devolution process has brought little benefits to GB as the control of tourism has gone to the GB council, a body headed by the prime minister himself, instead of the GB government. The GB Assembly passed a resolution in 2012 seeking powers to legislate issues pertaining to tourism. However, the centre is yet to approve the delegation of powers described in the resolution. Hence, there is no active policy or institution to promote tourism.⁷³

Lately however the Legislative Assembly of Gilgit Baltistan has been accorded more authority by the federal government of PML-N through the new GB Order 2018, which was promulgated in May 2018, replaced the GB Empowerment and Self-Governance Order, 2009. The new order is said to provide political, administrative, financial and judicial powers to people in the region. Moreover, the new order shifted powers from the GB council — including those related to passing laws on mineral and tourism — rightly to the directly elected members of the area in the legislative assembly of Gilgit Baltistan.

In KP, Punjab and Kashmir further potential also exists in religious tourism (Sikhism, Hinduism and Buddhism), showcasing Mughal and British imperial structures and eco-tourism.

The provincial tourist development corporations can take over the responsibility of developing/promoting tourism, as they are dedicated to work towards tourism development in their regions. Tourism was kept on 30th position in priority list in public sectors departments and corporations in term of funding by former regimes but now it has attained 8th position, thus showing PTI's priority for this key sector.

The last PML N Punjab government also took great interest and commenced initiatives such as city sightseeing tour services in Lahore and Cholistan desert rally, double decker bus service, metro bus in Lahore, Rawalpindi and Multan), Murree chair lift and upcoming orange train to broaden the tourist network. The Punjab tourism department renovated cultural and religious landmarks across Punjab in collaboration with World Bank Group (WBG) with a total project cost of USD 55M, they also developed infrastructural facilities at important Sikh sites. Likewise, the PML N government

72. Aoun Sahi, GB and AJK Mountains to valleys.

73. Shabbir Mir, In decline: Tourism in G-B falls prey to 18th Amendment, published on April 19, 2013. <https://tribune.com.pk/story/537452/in-decline-tourism-in-g-b-falls-prey-to-18th-amendment/>

of AJK also initiated new projects, including building tourist resorts and building roads for promoting tourism.

Provinces are able to pay more attention in promoting tourism compared to the Centre as they are in a better position to deal with the issues, the tourism sector is facing in their respective provinces. The Federal government should give a supportive role to the provincial tourism bodies rather than holding on to the assets of the PTDC. For further improvement the provincial tourism departments should also work closely with federal government's ministries and departments since tourism is interlinked to other departments such as home department, foreign office, planning and development, forestry, climate change, railways, roads and highways as well as local government etc.

The aim of the provincial tourism departments is to promote tourism like rest of the developed countries where tourism is the main source of foreign exchange for the economy.

The federal government annually issued Rs200million grant to PTDC out of which Rs180 million were paid as salaries, which they have stopped since 2011 due to which they are unable to cover its overhead expenses and pay salaries to its staff, PTDC profit for the ongoing fiscal year (2018) is just Rs. 1.1 million, which clearly shows that their performance is abysmal. It should be devolved to the provinces so that the hotels/motels/resorts start to function smoothly and are able to cover its expenses, salaries of the staff and make much higher profits.

Comparing the tourism sector pre and post devolution clearly shows a significant improvement after devolution, which clearly

signifies that the TDCs are capable enough to take control of the tourism sector.

5.7 Training Institutes for Tourism in Pakistan:

After the 18th constitutional amendment, the federal government has transferred few training institutes of tourism to the provinces with the intent that they will gradually develop capacity to promote tourism. There are a network of training institutes in the hospitality sector to promote tourism in Pakistan, though their performance desires to improve with more financial resources and professional training of staff.

5.7.1. Pakistan Institution of Hotel and Tourism Management (PITHM) at Karachi:

The Pakistan Institution of Hotel and Tourism Management (PITHM) has been handed over to ministry of culture, tourism and antiquities, government of Sindh.⁷⁴ The main function and activity of the institute is to impart knowledge by training manpower for the hospitality, travel and tourism industry in Pakistan. Its standard is far below the required international standards of hospitality and tourism industry and as a whole it has failed to meet its aims and objectives, hence its performance needs to improve.⁷⁵

5.7.2. Pakistan-Austrian Institute of Hotel and Tourism Management (PAITHM)

Swat: This institute was established in 2001 at Gulibahar Swat under the deliberation of Vienna Agreement between that time Federal Ministry of Tourism and Austrian Development Agency, Austria with a mission to promote tourism and hospitality education through establishing a teaching hotel and to attract

74. Pakistan Institute of Tourism & Hotel management (PITHM), can be accessed at <http://www.pithm.edu.pk/site/27-welcome-to-pithm/carousel/20-history-pithm>.

75. Aftab ur Rehman Rana 'A Position Paper on Challenges Faced by Tourism Industry of Pakistan'; Pakistan Institution of Hotel & Tourism Management

youth towards a splendorous career in tourism industry. It started its operation in May 2006 and conducted few courses and later on after the Taliban's insurgency in Swat it remained closed for few years. After re-gaining control of Swat from Taliban in 2009, the Pakistan Army occupied the institute building and used it as a detention cell/rehabilitation center. The building of the institute is still under the use of Pakistan Army. After the 18th amendment, the institute was transferred to KP Tourism Department and now it is operating in a small rented building in Saidu Sharif Swat and only running some short courses for the hospitality sector with the support of National Vocational & Technical Training Commission (NAVTTTC).⁷⁶ The Pakistan Army should return the building to the Khyber Pakhtunkhwa government to allow the institute to function in purpose built facility of its own.

5.7.3 Institute of Tourism and Hotel Management (ITHM) was established by TDCP for providing hospitality and tourism management training at Lahore. Although, ITHM offers diploma and certificate courses in hotel and tourism management subjects but its overall standard of instructions is very low as it is now well recognized as a training institution nationally and internationally. In the initial years, TDCP received very good support from the provincial government but later on due to scarcity of financial resources, lack of interest by the provincial government and lack of professionalism among its staff TDCP lost its importance gradually.

The provinces require more training institutes to provide professional trainings, though country has few private colleges offering diploma courses in tourism and hotel management, but they are far behind the international standards.

5.8 Role of the Provincial and Regional Tourism Organizations

Although tourism in Pakistan has truly a national potential, yet the provinces shall take lead in many functions, since it is interlinked and we need to improve federal-provincial coordination and inter-provincial communication to exploit the potential of the sector for the betterment of our economy. It is thus a problem of identification and division of role and responsibilities between federation and provinces that can help give appreciable boost to tourism in the country.

The provinces should ensure proper infrastructure development, investment promotion through public private partnerships, implementation of tourism related laws and ensuring quality standards under the guidance of an 'effective body', conservation of natural and cultural resources. The federal government can ensure easy and timely visa regime, standardized airlines as well as coordination with effective body for promotion at international level.

The ministry of Inter-Provincial Coordination (IPC)⁷⁷ should form informal/coordinating council to play an important role. The coordinating council should have directors from both public as well as from the private sectors, including professional tourism organizations such as Pakistan Association of Tour Operators (PATO), Pakistan Hotels Association (PHA), Travel Agents Association of Pakistan (TAAP), Sustainable Tourism Foundation Pakistan (STFP), Alpine Club of Pakistan (ACP) and Pacific Asia Travel Association (PATA).

Provinces know about their culture, heritage,⁷⁸ archaeology, topography and landscape. They can go for an integrated development and link promotion of culture, sports, youth and

76. Ibid.

77. Inter-Provincial matters and Coordination, entry 13 of the Federal Legislative list

78. Heritage law of Pakistan, attached as Annex I

education with tourism. No province is less privileged; it is how they develop the product which matters. Innovation is something which is needed the most at this time.

The recent plans of the Punjab government to contain and export holy water from Sikh shrines in Nankana Sahib and Panja Sahib, Hassan Abdal and setting up of lodging facilities for tourists in Nagarparkar, Sindh by Thardeep Rural Development Programme (TRDP) are two such examples.⁷⁹

After the 18th amendment, all powers have been transferred to the provinces but due to lack of coordination among the federal and provincial governments and red tapism in bureaucracy, stalemate exists. The real problem lies in the implementation` of cohesive policies.

5.9. Assessment of Tourism Sector's Management

One strand of opinions is that the abolishment of the tourism ministry has created a vacuum and incapacitation to deal with tourism related issues as there is no entity in the federal government which could take responsibility of looking after tourism affairs on the national level.

There are undoubtedly many tourism-related interventions which are not province specific and which need to be dealt at the federal level; such as building country's image in foreign tourism markets, resolving difficulty in issuance of Pakistani visa, dealing with overall security situation, standardized airline transits, crisis management as well as overall assurance of quality and services being provided to the tourists.

The other point of view is that we can create a mechanism where the federation and the provinces sit together and join hands and head to move forward.

The core problem that the tourism sector in Pakistan has been facing is the law and order situation in the entire country. Tourism cannot be promoted till we guarantee the security of life and property and in this case federal government's role cannot be overlooked. Some are of the opinion that management of tourism sector needs to be revamped in order to encourage international and domestic investment; it should be given to a public/private sector partnership or a private sector management structure.

79. Tour of Provinces'(Jang.com.pk) <https://jang.com.pk/thenews/aug2013-weekly/nos-09-08-2013/spr.htm#2>

Chapter 6

Challenges Faced by Pakistan Tourism Industry

Beside the core issue of governance of tourism sector in Pakistan, the members of Pakistan Tourism Forum (PTF) in the round table discussion held on 16th February 2017 have identified following key challenges faced by the tourism industry in Pakistan and have made recommendations to develop and promote tourism sector in Pakistan on sustainable lines.

- i. **Pakistan's Negative Image as a Tourism Destination due to safety and security of tourists:** The persistent terror activities in the country have negatively impacted the tourism business, which is one of the greatest challenges the tourism industry is facing. However, the reality is much better than the perception the local and international media creates unnecessary sensationalizing. This negative image creates a strong barrier for the international tourists to travel to Pakistan and also discourages the domestic tourists from travelling.⁸⁰ The federal government has to take the lead in marketing country's image in an objective and positive manner highlight uniqueness and strengths offered by landscape, topography, seasons, heritage and above all hospitality of the people of Pakistan.
- ii. **Low Priority to Tourism Sector:** The study reveals that federal and the provincial government have not given much attention to the tourism sector. This fact is also substantiated by the report of World Travel and Tourism Competitiveness

Index Report 2017; Pakistan was ranked at 124 out of 136 countries at the World Economic Forum. In terms of government prioritization of travel and tourism, Pakistan is ranked at 132 among the 136 countries.⁸¹

- iii. **Difficulty in getting Pakistani Visa:** Due to security issues and volatile geopolitical situation, tourists do not easily get Pakistani visas; entry into Pakistan becomes even more difficult in case of India and Afghanistan. Pakistan has adopted Visa on Arrival (VoA) policy for group tourists from 24 countries⁸² to encourage foreign tourists to visit Pakistan, which is a welcome step. According to World Travel and Tourism Competitiveness Index Report 2017, in terms of issuance of visa, Pakistan was ranked 135 out of 136 countries; the reason for the worst ranking was due to visa requirements. The federal government can definitely take a lead in this context and make the process secure yet timely to help allow easier trouble-free access to genuine tourists from various nations.
- iv. **Lack of Private Sector Investment in Tourism Sector:** Development of tourism infrastructure requires large funds; it is difficult for the government to cater for it alone. The practical option for this would be a public-private sector partnership or a private sector management structure. For this to happen, a regulatory framework is required, which can define the roles and responsibilities of the two partners from public and private sectors. Presently, there is no such policy to attract private sector investment in tourism.

80. Promotion of Tourism in Pakistan, Pakistan Institute of Legislative Development And Transparency (PILDAT); Punjab tourism official website <http://www.pakistantdcp.com/tdcp-introduction.html>; Muhammad Fahad Khan 'Factors affecting tourism of Pakistan'

81. The Travel & Tourism Competitiveness Report 2017, World Economic Forum.

82. Group of 24 countries attached as Annex D

v. Lack of Proper Marketing and Promotion: Although Pakistan is blessed with great natural beauty, cultural diversity and rich historical background but has not been successful in developing into a popular tourist destination in the world. Pakistan requires proper publicity and promotional strategies to raise interest among potential tourists. Pakistan needs to create a brand of its tourism; like many countries have successfully branded their tourism attractions for example 'Amazing Thailand' is created by Thai tourism authorities and our neighbour India, 'Incredible India' a brand created by Indian tourism authorities. Again the Federal Government can give a global branding through the Ministry of Foreign Affairs and the embassies to introduce the country as a preferred tourist destination on account of uniqueness offered.

vi. Insufficient Use of IT for Tourism Promotion: Different Tourism bodies such as the PTDC, TDCP, TCKP, STDC and other provincial tourism promotion organizations, have presence on the internet through their websites. However, none of these websites meets all the needs of tourists. There are no facilities for getting online information on room availability or for online bookings of hotels, transport facilities, tourist guide services, etc. Most of these sites are of little use to the tourists. There is a dire need of a proper maintained websites for providing online facilities to tourists, due to lack of IT services tourists are discouraged to visit.

vii. Dilapidated Tourism Infrastructure and Negative Impacts of Natural Environment: Due to natural disasters, the tourism sector in many areas especially mountainous regions have suffered major losses, including physical

damages to buildings, roads, unreliable supply of electricity, poor sanitation at tourist spots, and lack of proper solid waste management has worsened the situation. During the past two decades, very little has been done for developing new tourist sites in the country. New tourist sites are important for domestic tourists as they are keen on going to new places. The provincial governments can take the lead in respective destinations locally to develop them on international standards.

viii. Lack of Research in Tourism Sector: Research supports in identifying key issues in tourism development and promotion. It helps to identify the consumers and key trends in the industry and support case making, advocacy and policy making efforts. In Pakistan there is no proper mechanism to collect and disseminate data of tourist trends. Before devolution there was a cell in Ministry of Tourism which used to compile some data on tourism but now there is no such mechanism. The ministry of IPC can fill in this vacuum. Hence, lack of research effects the growth of the tourism sector.

ix. Multiplicity of Taxes: Due to high rates and multiplicity of taxes by federal and provincial governments, tourist packages are found to be over priced in comparison with other destinations. There is an urgent need to unify and rationalize these taxes and Ministry of IPC and CCI are the forums to coordinate the issue.

x. Coordination in marketing strategy: At the federal level there is no department to coordinate with provinces in promoting tourism at international level. It can be entrusted to the Trade Development Authority of Pakistan. There are few models such as the Malaysian Tourism and Exports Development Board and the

Dubai Commerce and Tourism Marketing Board that can be replicated as these two boards are responsible for marketing tangible products and tourism services.

- xi. International marketing and membership of international tourism bodies** are subjects which were not discussed properly before devolving the ministry. These functions were handed over to the Economic Affairs Division (EAD) which is already over-burdened. The annual fees of various international tourism bodies have not been paid for years. At the moment, the country is unable to vote at various international fora for this very reason.
- xii. Tourism Workforce Development:** There is lack of qualified human resource (managers and workers) for the tourism sector of Pakistan since there are no standardized degree courses on tourism and hotel management offered by universities of the country. Few private colleges offer courses but their overall standard is very poor. Pakistan Institute of Tourism and Hotel Management at Karachi and College of Tourism and Hotel Management at Lahore offer short courses in hospitality and travel management, their standard is not up to mark as compared to international standards and they need to work hard to improve their study programs.
- xiii. Lack of Proper Enforcement of Standards and Certifications:** The responsibility of managing the laws, standards of hotels, tourist guides and travel agencies lies with Department of Tourist Services (DTS). Before devolution, DTS used to work under federal ministry of tourism now it is working as a provincial

entity. As per its mandate, it is responsible to ensure the quality of tourist services through implementation of the following Acts of the parliament:

- 1) The Pakistan Hotels and Restaurants Act 1976
- 2) The Pakistan Tourist Guides Act 1976
- 3) The Travel Agencies Act 1976

As discussed earlier there have been amendments in the Acts by the provincial governments in Khyber Pakhtunkhwa and Sindh. Looking at the current low level of implementation of standards and quality of services offered by hotels and restaurants, it is evident that DTS has not been able to perform its functions very effectively. A certain Star System also exists for standardizing the quality of services offered by hotels but practically, there is no implementation of these standards. There is also a weak implementation of standards and certifications for tourist guides. Likewise, in other services like transportation, there is no implementation of standards. There is no fitness certification system implemented for vehicles hired by the tourists and there is no standardization of transportation rates between different destinations.

- Lack of inter-departmental coordination: Tourism is interlinked to other departments and ministries; such as home department, foreign office, planning and development, trade and commerce, environment, wild life, forestry, civil aviation, railway, local governments, road and highways etc. Unfortunately, all these ministries and departments are working in isolation; tourism department can only be prosperous once they all start working together.

Chapter 7

Recommendations on the Policy Options

The detailed study testifies following set of policy options for overall way forward of the sector:

- 1. Prioritization of Tourism Sector by the Government:** Tourism should be declared as an important sector of the economy and a policy needs to be adopted to facilitate the positive growth of this sector. At political level the top leadership should promote tourism at national level as an engine of socio-economic development.
- 2. Co-ordinated role of federal and provincial government:** In all developed and developing countries the federal government plays a leading role in establishing effective coordination among the provinces and key ministries at federal level for investment promotion, infrastructure development, visa facilitation, marketing and promotion, enforcement of quality standards and mobilizations international donors and investors support. Co-ordination needs to be improved between ministries and departments as most countries establish very effective inter-ministerial/departmental coordination mechanism at federal, provincial and district levels to bring synergies in planning and implementations of various activities of tourism sector. The ministry of Inter-Provincial Coordination can be given a permanent subject for a sustained consolidated coordination between federal and provincial governments.
- 3. Government Role as Facilitator and Regulator:** In Pakistan, the tourism management organizations are engaged in running commercial businesses as

well. PTDC, STDC, TDCP and TCKP run most of its own hotels, rest houses and transport facilities on commercial basis. In this way, the government takes on the role of a competitor of the private sector instead of a facilitator and regulator. The managing organization loses the sight of its prime objective of sector development and revenue generation becomes its main focus. It is therefore recommended that the government in addition to enhancing capacity to promote professionalism in these public concerns, federal and provincial tiers of government should focus on the formulation of facilitative policies for private sector to operate, set standards and monitor the implementation of the rules and regulations and create an enabling business environment for private sector to come forward and invest in tourism development projects.

- 4. Encouragement of Private sector:** The private tourist companies should be incentivized to offer innovations and modernization in the sector to make it competitive and qualitatively close to international standards. There is need to establish national, provincial and district level tourism councils in Pakistan in order to have effective coordination and working relationships among the stakeholders of public and private sectors.
- 5. Development of Public-Private Partnerships:** Most of the countries that have a thriving tourism sector have encouraged public-private partnerships for tourism projects to meet the resource gap and create fiscal space for the government to divert scarce resources to other projects. This also takes care of the government's implementation capacity constraints by bringing in the private sector's efficient management skills.

6. **New tourist sites should be developed on public-private partnership model:** Government should provide land, road access and utilities whereas the major share of the investment should be injected by the private sector which should be recovered along with the projected profits.
7. **Safety and Security of Visitors:** Most countries with thriving tourism sector has tourist police units to help and protect the tourists, toll-free phone helplines in multiple languages, installation of security cameras and other such measures should be taken. Where necessary fool-proof security should be provided to the foreign tourists so that they could enjoy their holidays without any fear and worry.
8. **One window NOCs and Permits:** Unnecessary restrictions on the movement of foreign tourists should be abolished and an institutional mechanism should be established to ensure issuance of fast track issuance of NOCs and permits.
9. **Quick Facilitation in Issuance of Tourist Visas:** In most of the tourist-friendly countries, emphasis has been given to facilitate in the issuance of visa to incoming tourists. On the same lines the government of Pakistan should also announce a revised tourist friendly visa policy and introduce e-visa facility to the tourists generating countries.
10. **Environment Protection and Heritage Conservation:** Conservation of natural environment and cultural heritage are part and parcel of the tourism development strategies in most of the countries as they are the key to ensure the sustainable use of tourism assets for the long term benefits. Provincial tourism departments in association with concerned departments and agencies should prepare master plans of major tourist destinations to ensure sustainable eco-friendly growth of tourism at destinations. Departments should also develop necessary guidelines for the development of various kinds of facilities as per international best practices of eco-friendly tourism.
11. **Development and Implementation of Service Quality Standards:** High quality standard is a hallmark for the tourist industry. The certifications for the hotels, restaurants and other service providers should be according to international standards. There is need to put in place a proper legal framework and implementation mechanism to ensure that the tourists get the real worth of their money they spend on buying these services.
12. **Effective Marketing and Promotion of Tourism:** Most of the countries have adopted an integrated approach for the marketing and promotion of tourism based on proper market research and data collection about the potential tourists, their preferences and spending power etc. For example the marketing campaign of Taiwan Tourism under the brand name of "The Heart of Asia" has shown great results in the past few years. There is need to develop a brand name for Pakistan as a tourist destination, that brand name should be promoted through joint marketing strategy by effectively pooling in available resources.
13. **Diversification of Tourism Products:** There is need to develop other tourism products such as wellness tourism, medical tourism, sports tourism, rural tourism, ecotourism and spiritual tourism. The government should adopt a very strategic approach for the development of these tourism sources, by creating guidelines

for each type of tourism product, along with employment schemes for potential jobseekers in each sector.

- 14. Attracting Religious Tourist from Abroad:** Special attention needs to be paid to attract foreign religious tourists from abroad as we have many holy sites belonging to different religions such as Hinduism, Sikhism, Buddhism and Islam. Necessary infrastructure should be developed to facilitate such tourists to practice their religious rituals and prayers at the sites of religious importance.
- 15. Development of printed and electronic information material on tourist sites:** The role of print and electronic media to promote the soft image of Pakistan is very important. Exposure trips of media persons, travel writers and TV channel teams should be organized on regular basis to achieve positive projection on media. Private sector should also be encouraged to launch an exclusive TV channel on travel and tourism like the foreign TV channel 'Travelxp HD Europe'. There is a need to formulate innovative marketing strategy to promote Pakistan as an all season tourist destination.
- 16. Use of IT in Tourism:** Most of the countries are using Information Technology (IT) very effectively to promote tourism. Online visa, online hotel, airline and transport bookings and other services are now common features of most of the web portals of many countries. The tourism websites should provide a one stop solution to interested visitors to get all the information and facilitation they require before leaving their home.
- 17. Effective role of the national Airlines:** Most of the countries are very effectively using their national airlines to increase the

foreign tourist traffic to their countries. Marketing through inflight magazine, showing inflight documentaries, offering group tour discount, arranging exposure trips for travel-writers and offering a range of incentives to frequent flyers are main feature of these airlines to attract tourists to their homelands. On the same lines there is need to engage PIA to play a more active role to promote Pakistan as a tourist destination.

- 18. Improvement of Tourism Infrastructure:** Having quality tourism infrastructure is a prerequisite for attracting tourists. Important components of infrastructure includes easy access to roads, railway tracks, airports, flights, road transport facilities, accommodation facilities (hotels, motels, youth hostels, etc.) should be developed.
- 19. Human Resource Development:** Government should encourage private sector to establish training institutes to offer skill based course in tourism and hospitality to unemployed youth according to international standards in order to ensure quality education system and globally certification mechanism. Special grant packages should be introduced to provide financial and technical assistance to the institutes established under this scheme.
- 20. Rationalization of Taxes:** One of the bottlenecks in achieving the full potential of tourism sector in Pakistan is the high rates and multiplicity of taxes by federal and provincial governments that has led to tourist package being over priced in comparison with other destinations. It is recommended that taxes on travel and hospitality sub sectors should be rationalized and unified in consultation with the industry stakeholders.

- 21. International Cooperation:** Development of international cooperation should also be given importance by the government. Holding consultations with other countries and international organizations for signing agreements of bilateral cooperation should be the regular feature. These agreements and protocols with other countries will help to widen the links of friendship and promote cooperation in tourism sector.
- 22. Establishment of Provincial Tourism Boards:** After devolution, lack of coordination among various government agencies is one of the major hindrances in the development of tourism at provincial level. There are many departments and authorities that directly or indirectly affect growth of the tourism industry. Development of tourist sites requires involvement and approval of a number of government agencies and local bodies. Therefore, it is recommended that provincial governments should

establish Provincial Tourism Boards that can play an affective role as a platform between government departments, related tourism agencies and private sector for the development of tourism at provincial levels. Provincial Tourism Boards should establish effective liaison with key departments, such as the Planning and Development Department, Provincial Tourism Corporation, Information, Culture and Youth Affairs Departments, Forests and Wildlife Department, Environment Protection Agency, Archeology Department, Civil Aviation, Pak Railway and Provincial Highways Authority, Private sector (Hotels, transporters, travel agents and tour operators) and so on.

Provincial tourism board needs to act as a bridge between government Departments and the private sector tourism companies for easy communication and resolution of issues of tourism industry.

Conclusion and Way Forward

The provincial tourism board needs to promote tourism and should have uniform standard followed by all the provinces since one cannot have different standards followed in different regions. If you look at the hotel industry in Pakistan, now there are different laws regulating hotels in different provinces. By contrast, in Europe, member countries follow the same standards prescribed by the EU, so that customers expect a certain level of service for a certain category of hotel.

There has to be a national platform to promote Pakistan overseas and to have uniform service standards at home. International representation happens as a country, and not as a region. We need an effective decision-making platform to move forward. To move forward, Pakistan needs to constitute a National Tourism Board. The board should have representation of all provincial tourism bodies, the private sector, and the federal government, possibly represented by Inter-Provincial Coordination Committee or the Economic Affairs Division.

The federal government has stopped issuing grants to PTDC since 2011 due to which they are unable to cover their overhead expenses and pay salaries to its staff, the corporation has property worth billions of rupees, whereas the profit for the ongoing fiscal year (2018) is just Rs 1.1million, which clearly shows that their performance is abysmal. It should be either devolved to the provinces fully so that the hotels/motels/resorts start to function smoothly and are able to cover its expenses, salaries of the staff and make much higher profits. The other option may be to once and for all move towards a negotiated settlement to a win win situation where the division of assets and role may be amicably achieved between the federal and provincial tiers of the government.

Consequently, the assets of PTDC should be devolved to its respective provinces, commercial viability of assets has to be ascertained. A

liquidator should be appointed to evaluate the value of each hotel/motel/resort and should be sold to the interested parties according to their present market rate after adjustment of current liabilities, the funds generated through this activity should be invested to create an endowment for smooth functioning of the activities of the provincial tourism board. The provincial tourism bodies should have highly qualified and skillful professional team and it should exclusively focus on the promotional activities in domestic target markets. Consequently, following the spirit of the Constitution, the Federal government should give a supportive role to the provincial tourism bodies rather than holding on to the assets of the PTDC.

The provincial governments are of the opinion that they are unable to take tourism as a priority sector as the centre is not willing to give them their share of assets due to which the sector cannot progress. Thus, there is a need for effective collaboration of provincial tourism promotion bodies and private sector stakeholders.

After the 18th amendment, a huge gap has been created due to lack of proper planning at the time of this decision. To fill this gap a new public /private sector partnership should be established with the creation of a statutory body which should have representation of all the provincial tourism departments, private sector trade bodies/associations and key federal government departments such as planning commission, ministry of commerce, ministry of interior, civil aviation, Pakistan railways and ministry of foreign affairs. Even the Pakistan Tourism Development Corporation can take up this role. There is also confusion on who shall represent Pakistan on relevant international forums, proper steps are not taken to represent Pakistan in the international tourism market, and therefore, the provincial tourism board needs to look into it.

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Annexures

Annexure-A

(This annexure is taken directly from the Constitution of Pakistan (Pg: 75-93); hence left unformatted)

CONSTITUTION OF PAKISTAN

PART V

Relations Between Federation and Provinces

CHAPTER 1. – DISTRIBUTION OF LEGISLATIVE POWERS

Extent of Federal and Provincial laws

141. Subject to the Constitution, ¹[Majlis-e-Shoora (Parliament)] may make laws (including laws having extra-territorial operation) for the whole or any part of Pakistan, and a Provincial Assembly may make laws for the Province or any part thereof.

Subject-matter of Federal and Provincial laws

142. Subject to the Constitution—

(a) ¹[Majlis-e-Shoora (Parliament)] shall have exclusive power to make laws with respect to any matter in the Federal Legislative List;

²[(b) Majlis-e-Shoora (Parliament) and a Provincial Assembly shall have power to make laws with respect to criminal law, criminal procedure and evidence;]

³[(c) Subject to paragraph (b), a Provincial Assembly shall, and Majlis-e-Shoora (Parliament) shall not, have power to make laws with respect to any matter not enumerated in the Federal Legislative List;]

⁴[(d) Majlis-e-Shoora (Parliament) shall have exclusive power to make laws with respect to all matters pertaining to such areas in the Federation as are not included in any Province].

Inconsistency between Federal and Provincial law

⁵[**143.** If any provision of an Act of a Provincial Assembly is repugnant to any provision of an Act of Majlis-e-Shoora (Parliament) which Majlis-e-Shoora (Parliament) is competent to enact, then the Act of Majlis-e-Shoora (Parliament), whether passed before or after the Act of the Provincial Assembly, shall prevail and the Act of the Provincial Assembly shall, to the extent of the repugnancy, be void.]

¹ See footnote 6 on page 3, *supra*.

² Subs. by the Constitution (Eighteenth Amdt.) Act, 2010 (10 of 2010), s. 49, for “Paragraph (b)”.

³ Subs. *ibid*; for “Paragraph (c)”.

⁴ Subs. *ibid*; for “Paragraph (d)”.

⁵ Subs. *ibid*; s. 50 for “Article 143”.

CONSTITUTION OF PAKISTAN

Power of Majlis-e-Shoora (Parliament) to legislate for ¹[One] or more Provinces by consent

144. (1) If ¹[one] or more Provincial Assemblies pass resolutions to the effect that ²[Majlis-e-Shoora (Parliament)] may by law regulate any matter not enumerated in ³[the Federal Legislation List] in the Fourth Schedule, it shall be lawful for ²[Majlis-e-Shoora (Parliament)] to pass an Act for regulating that matter accordingly, but any act so passed may, as respects any Province to which it applies, be amended or repealed by Act of the Assembly of that Province.

4* * * * *

CHAPTER 2. – ADMINISTRATIVE RELATIONS BETWEEN
FEDERATION AND PROVINCES

Power of President to direct Governor to discharge certain functions as his Agent

145. (1) The President may direct the Governor of any Province to discharge as his Agent, either generally or in any particular matter, such functions relating to such areas in the Federation which are not included in any Province as may be specified in the direction.

(2) The provisions of Article 105 shall not apply to the discharge by the Governor of his functions under clause (1).

Power of Federation to confer powers, etc., on Provinces, in certain cases

146. (1) Notwithstanding anything contained in the Constitution, the Federal Government may, with the consent of the Government of a Province, entrust either conditionally or unconditionally to that Government, or to its officers functions in relation to any matter to which the executive authority of the Federation extends.

(2) An Act of ²[Majlis-e-Shoora (Parliament)] may, notwithstanding that it relates to a matter with respect to which a Provincial Assembly has no power to make laws, confer powers and impose duties upon a Province or officers and authorities thereof.

¹ Subs. by the Constitution (Eighteenth Amdt.) Act, 2010 (10 of 2010), s. 51, for “Two”.

² See footnote 6 on page 3, *supra*.

³ Subs. by Act No. 10 of 2010, s.51. for “either list”.

⁴ Clause (2) omitted by the Constitution (Eighth Amdt.) Act, 1985 (18 of 1985), s.17.

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(3) Where by virtue of this Article powers and duties have been conferred or imposed upon a Province or officers or authorities thereof, there shall be paid by the Federation to the Province such sum as may be agreed or, in default of agreement, as may be determined by an arbitrator appointed by the Chief Justice of Pakistan, in respect of any extra costs of administration incurred by the Province in connection with the exercise of those powers or the discharge of those duties.

Power of the Provinces to entrust functions to the Federation

147. Notwithstanding anything contained in the Constitution, the Government of a Province may, with the consent of the Federal Government, entrust, either conditionally or unconditionally, to the Federal Government, or to its officers, functions in relation to any matter to which the executive authority of the Province extends ¹[:]

²[Provided that the Provincial Government shall get the functions so entrusted ratified by the Provincial Assembly within sixty days.]

Obligation of Provinces and Federation

148. (1) The executive authority of every Province shall be so exercised as to secure compliance with Federal laws which apply in that Province.

(2) Without prejudice to any other provision of this Chapter, in the exercise of the executive authority of the Federation in any Province regard shall be had to the interests of that Province.

(3) It shall be the duty of the Federation to protect every Province against external aggression and internal disturbances and to ensure that the Government of every Province is carried on in accordance with the provisions of the Constitution.

Directions to Provinces in certain cases

149. (1) The executive authority of every Province shall be so exercised as not to impede or prejudice the exercise of the executive authority of the Federation, and the executive authority of the Federation shall extend to the giving of such directions to a Province as may appear to the Federal Government to be necessary for that purpose.

3* * * * *

¹ Subs. by the Constitution (Eighteenth Amdt.) Act, 2010 (10 of 2010), s. 52, for the full-stop.

² Proviso added, *ibid.*

³ Clause (2) omitted *ibid.*, s. 53.

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(3) The executive authority of the Federation shall also extend to the giving of directions to a Province as to the construction and maintenance of means of communication declared in the direction to be of national or strategic importance.

(4) The executive authority of the Federation shall also extend to the giving of directions to a Province as to the manner in which the executive authority thereof is to be exercised for the purpose of preventing any grave menace to the peace or tranquillity or economic life of Pakistan or any part thereof.

Full faith and credit for public acts, etc.

150. Full faith and credit shall be given throughout Pakistan to public acts and records, and judicial proceedings of every Province.

Inter-Provincial trade

151. (1) Subject to clause (2), trade, commerce and intercourse throughout Pakistan shall be free.

(2) ¹[Majlis-e-Shoora (Parliament)] may by law impose such restrictions on the freedom of trade, commerce or inter-course between one Province and another or within any part of Pakistan as may be required in the public interest.

(3) A Provincial Assembly or a Provincial Government shall not have power to—

- (a) make any law, or take any executive action, prohibiting or restricting the entry into, or the export from, the Province of goods of any class or description, or
- (b) impose a tax which, as between goods manufactured or produced in the Province and similar goods not so manufactured or produced, discriminates in favour of the former goods or which, in the case of goods manufactured or produced outside the Province discriminates between goods manufactured or produced in any area in Pakistan and similar goods manufactured or produced in any other area in Pakistan.

(4) An Act of a Provincial Assembly which imposes any reasonable restriction in the interest of public health, public order or

¹ See footnote 6 on page 3, *supra*.

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morality, or for the purpose of protecting animals or plants from disease or preventing or alleviating any serious shortage in the Province of any essential commodity shall not, if it was made with the consent of the President, be invalid.

Acquisition of land for Federal purposes

152. The Federation may, if it deems necessary to acquire any land situate in a Province for any purpose connected with a matter with respect to which ¹[Majlis-e-Shoora (Parliament)] has power to make laws, require the Province to acquire the land on behalf, and at the expense, of the Federation or, if the land belongs to the Province, to transfer it to the Federation on such terms as may be agreed or, in default of agreement, as may be determined by an arbitrator appointed by the Chief Justice of Pakistan.

CHAPTER 3. – SPECIAL PROVISIONS

152A. *[National Security Council.] Omitted by the Constitution (Seventeenth Amdt.) Act 2003 (3 of 2003), s. 5, which was previously ins. by C.E's. O. No. 24 of 2002, Art. 3 and Sch., as amended by various enactments.*

Council of Common Interests

153. (1) There shall be a Council of Common Interests, in this Chapter referred to as the Council, to be appointed by the President.

²[(2) The Council shall consist of—

- (a) the Prime Minister who shall be the Chairman of the Council;
- (b) the Chief Ministers of the Provinces; and
- (c) three members from the Federal Government to be nominated by the Prime Minister from time to time.]

³* * * * *

(4) The Council shall be responsible to ¹[Majlis-e-Shoora (Parliament)] ⁴[and shall submit an Annual Report to both Houses of Majlis-e-Shoora (Parliament).]

¹ See footnote 6 on page 3, *supra*.

² Subs. by the Constitution (Eighteenth Amdt.) Act, 2010 (10 of 2010), s. 54, for “clause (2)”.

³ Clause (3) omitted *ibid*.

⁴ Added by Act, No. 10 of 2010, s. 54.

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Functions and rules of procedure

154. ¹[(1) The Council shall formulate and regulate policies in relation to matters in Part II of the Federal Legislative List and shall exercise supervision and control over related institutions.]

²[(2) The Council shall be constituted within thirty days of the Prime Minister taking oath of office.

(3) The Council shall have a permanent Secretariat and shall meet at least once in ninety days:

Provided that the Prime Minister may convene a meeting on the request of a Province on an urgent matter.]

³[(4)] The decisions of the Council shall be expressed in terms of the opinion of the majority.

³[(5)] Until ⁴[Majlis-e-Shoora (Parliament)] makes provision by law in this behalf, the Council may make its rules of procedure.

³[(6)] ⁴[Majlis-e-Shoora (Parliament)] in joint sitting may from time to time by resolution issue directions through the Federal Government to the Council generally or in a particular matter to take action as ⁴[Majlis-e-Shoora (Parliament)] may deem just and proper and such directions shall be binding on the Council.

³[(7)] If the Federal Government or a Provincial Government is dissatisfied with a decision of the Council, it may refer the matter to ⁴[Majlis-e-Shoora (Parliament)] in a joint sitting whose decision in this behalf shall be final.

Complaints as to interference with water supplies

155. (1) If the interests of a Province, the Federal Capital ⁵[**] or any of the inhabitants thereof, in water from any natural source of supply ⁶[or reservoir] have been or are likely to be affected prejudicially by —

(a) any executive act or legislation taken or passed or proposed to be taken or passed, or

¹ Subs. *ibid.* s. 55, for “clause (1)”.

² New clauses (2) and (3) ins. by the Constitution (Eighteenth Amdt.) Act, 2010 (10 of 2010), s. 55.

³ Clauses (2), (3), (4) and (5) renumbered *ibid.*

⁴ See footnote 6 on page 3, *supra*.

⁵ Omitted by the Constitution (Twenty-fifth Amdt.) Act, 2018 (37 of 2018) s. 7. w.e.f. 31-05-2018.

⁶ Ins. by Act. No. 10 of 2010, s. 56.

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- (b) the failure of any authority to exercise any of its powers with respect to the use and distribution or control of water from that source,

the Federal Government or the Provincial Government concerned may make a complaint in writing to the Council.

(2) Upon receiving such complaint, the Council shall, after having considered the matter, either give its decision or request the President to appoint a commission consisting of such persons having special knowledge and experience in irrigation, engineering, administration, finance or law as he may think fit, hereinafter referred to as the Commission.

(3) Until ¹[Majlis-e-Shoora (Parliament)] makes provision by law in this behalf, the provisions of the Pakistan Commissions of Inquiry Act, 1956, as in force immediately before the commencing day shall apply to the Council or the Commission as if the Council or the Commission were a Commission appointed under that Act to which all the provisions of section 5 thereof applied and upon which the power contemplated by section 10A thereof had been conferred.

(4) After considering the report and supplementary report, if any, of the Commission, the Council shall record its decision on all matters referred to the Commission.

(5) Notwithstanding any law to the contrary, but subject to the provisions of clause (5) of Article 154, it shall be the duty of the Federal Government and the Provincial Government concerned in the matter in issue to give effect to the decision of the Council faithfully according to its terms and tenor.

(6) No proceeding shall lie before any court at the instance of any party to a matter which is or has been in issue before the Council, or of any person whatsoever, in respect of a matter which is actually or has been or might or ought to have been a proper subject of complaint to the Council under this Article.

National Economic Council

²[156. (1) The President shall constitute a National Economic Council which shall consist of: —

¹ See footnote 6 on page 3, *supra*.

² Subs. by the Constitution (Eighteenth Amdt.) Act, 2010 (10 of 2010), s.57, for "Article 156".

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- (a) the Prime Minister, who shall be the Chairman of the Council;
- (b) the Chief Ministers and one member from each Province to be nominated by the Chief Minister; and
- (c) four other members as the Prime Minister may nominate from time to time.

(2) The National Economic Council shall review the overall economic condition of the country and shall, for advising the Federal Government and the Provincial Governments, formulate plans in respect of financial, commercial, social and economic policies; and in formulating such plans, it shall, amongst other factors, ensure balanced development and regional equity and shall also be guided by the Principles of Policy set-out in Chapter 2 of Part II.

(3) The meetings of the Council shall be summoned by the Chairman or on a requisition made by one-half of the members of the Council.

(4) The Council shall meet at least twice in a year and the quorum for a meeting of the Council shall be one-half of its total membership.

(5) The Council shall be responsible to the Majlis-e-Shoora (Parliament) and shall submit an Annual Report to each House of Majlis-e-Shoora (Parliament)].

Electricity

157. (1) The Federal Government may in any Province construct or cause to be constructed hydro-electric or thermal power installations or grid stations for the generation of electricity and lay or cause to be laid inter-Provincial transmission lines ¹[:]

²[Provided that the Federal Government, prior to taking a decision to construct or cause to be constructed, hydro-electric power stations in any Province, shall consult the Provincial Government concerned.]

- (2) The Government of a Province may —
 - (a) to the extent electricity is supplied to that Province from the national grid, require supply to be made in bulk for transmission and distribution within the Province;

¹ Subs. by the Constitution (Eighteenth Amdt.) Act, 2010 (10 of 2010), s.58, for the full stop.

² Proviso Ins. *ibid.*

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- (b) levy tax on consumption of electricity within the Province;
- (c) construct power houses and grid stations and lay transmission lines for use within the Province; and
- (d) determine the tariff for distribution of electricity within the Province.

¹[(3) In case of any dispute between the Federal Government and a Provincial Government in respect of any matter under this Article, any of the said Governments may move the Council of Common Interests for resolution of the dispute.]

Priority of requirements of natural gas

158. The Province in which a well-head of natural gas is situated shall have precedence over other parts of Pakistan in meeting the requirements from that well-head, subject to the commitments and obligations as on the commencing day.

Broadcasting and telecasting

159. (1) The Federal Government shall not unreasonably refuse to entrust to a Provincial Government such functions with respect to broadcasting and telecasting as may be necessary to enable that Government—

- (a) to construct and use transmitters in the Province; and
- (b) to regulate, and impose fees in respect of, the construction and use of transmitters and the use of receiving apparatus in the Province:

Provided that nothing in this clause shall be construed as requiring the Federal Government to entrust to any Provincial Government any control over the use of transmitters constructed or maintained by the Federal Government or by persons authorised by the Federal Government, or over the use of receiving apparatus by person so authorised.

(2) Any functions so entrusted to a Provincial Government shall be exercised subject to such conditions as may be imposed by the Federal Government, including, notwithstanding anything contained in the Constitution, any conditions with respect to finance, but it shall not be

¹ New clause (3) added *ibid*.

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lawful for the Federal Government so to impose any conditions regulating the matter broadcast or telecast by, or by authority of, the Provincial Government.

(3) Any Federal law with respect to broadcasting and telecasting shall be such as to secure that effect can be given to the foregoing provisions of this Article.

(4) If any question arises whether any conditions imposed on any Provincial Government are lawfully imposed, or whether any refusal by the Federal Government to entrust functions is unreasonable, the question shall be determined by an arbitrator appointed by the Chief Justice of Pakistan.

(5) Nothing in this Article shall be construed as restricting the powers of the Federal Government under the Constitution for the prevention of any grave menace to the peace or tranquillity of Pakistan or any part thereof.

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PART VI

Finance, Property, Contracts and Suits

CHAPTER 1. – FINANCE

Distribution of Revenues between the Federation and the Provinces

National Finance Commission

160. (1) Within six months of the commencing day and thereafter at intervals not exceeding five years, the President shall ¹constitute a National Finance Commission consisting of the Minister of Finance of the Federal Government, the Ministers of Finance of the Provincial Governments, and such other persons as may be appointed by the President after consultation with the Governors of the Provinces.

(2) It shall be the duty of the National Finance Commission to make recommendations to the President as to—

- (a) the distribution between the Federation and the Provinces of the net proceeds of the taxes mentioned in clause (3);
- (b) the making of grants-in-aid by the Federal Government to the Provincial Governments;
- (c) the exercise by the Federal Government and the Provincial Governments of the borrowing powers conferred by the Constitution; and
- (d) any other matter relating to finance referred to the Commission by the President.

(3) The taxes referred to in paragraph (a) of clause (2) are the following taxes raised under the authority of ²[Majlis-e-Shoora (Parliament)], namely:—

- (i) taxes on income, including corporation tax but not including taxes on income consisting of remuneration paid out of the Federal Consolidated Fund ;
- ³[(ii) taxes on the sales and purchases of goods imported, exported, produced, manufactured or consumed ;]

¹ For the notification constituting the National Finance Commission, see Gaz. of Pak. 1974, Ext., Part II. pp. 191-192.

² See footnote 6 on page 3, *supra*.

³ Subs. by the Constitution (Fifth Amndt.) Act, 1976 (62 of 1976), s. 3, for the "original paragraph (ii)", (*w.e.f.* the 13th September, 1976).

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- (iii) export duties on cotton, and such other export duties as may be specified by the President;
- (iv) such duties of excise as may be specified by the President; and
- (v) such other taxes as may be specified by the President.

¹[(3A) The share of the Provinces, in each Award of National Finance Commission shall not be less than the share given to the Provinces in the previous Award.

(3B) The Federal Finance Minister and Provincial Finance Ministers shall monitor the implementation of the Award biannually and lay their reports before both Houses of Majlis-e-Shoora (Parliament) and the Provincial Assemblies.]

(4) As soon as may be after receiving the recommendations of the National Finance Commission, the President shall, by ²Order, specify, in accordance with the recommendations of the Commission under paragraph (a) of clause (2), the share of the net proceeds of the taxes mentioned in clause (3) which is to be allocated to each Province, and that share shall be paid to the Government of the Province concerned, and, notwithstanding the provision of Article 78 shall not form part of the Federal Consolidated Fund.

(5) The recommendations of the National Finance Commission, together with an explanatory memorandum as to the action taken thereon, shall be laid before both Houses and the Provincial Assemblies.

(6) At any time before an Order under clause (4) is made, the President may, by Order, make such amendments or modifications in the law relating to the distribution of revenues between the Federal Government and the Provincial Governments as he may deem necessary or expedient.

(7) The President may, by Order, make grants-in-aid of the revenues of the Provinces in need of assistance and such grants shall be charged upon the Federal Consolidated Fund.

¹ New Clauses (3A), (3B) Ins. by the Constitution (Eighteenth Amdt.) Act, 2010 (10 of 2010), s. 59.

² For such Order, see the Distribution of Revenues and Grants-in-Aid Order, 1975 (P. O. No. 2 of 1975).

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Natural gas and hydro-electric power

- 161.** ¹[(1) Notwithstanding the provisions of Article 78
- (a) the net proceeds of the Federal duty of excise on natural gas levied at well-head and collected by the Federal Government, and of the royalty collected by the Federal Government, shall not form part of the Federal Consolidated Fund and shall be paid to the Province in which the well-head of natural gas is situated.
 - (b) the net proceeds of the Federal duty of excise on oil levied at well-head and collected by the Federal Government, shall not form part of the Federal Consolidated Fund and shall be paid to the Province in which the well-head of oil is situated.]
- (2) The net profits earned by the Federal Government, or any undertaking established or administered by the Federal Government from the bulk generation of power at a hydro-electric station shall be paid to the Province in which the hydro-electric station is situated.

Explanation.—For the purposes of this clause "net profits" shall be computed by deducting from the revenues accruing from the bulk supply of power from the bus-bars of a hydro-electric station at a rate to be determined by the Council of Common Interests, the operating expenses of the station, which shall include any sums payable as taxes, duties, interest or return on investment, and depreciations and element of obsolescence, and over-heads, and provision for reserves.

Prior sanction of President required to Bills affecting taxation in which Provinces are interested

162. No Bill or amendment which imposes or varies a tax or duty the whole or part of the net proceeds whereof is assigned to any Province, or which varies the meaning of the expression "agricultural income" as defined for the purposes of the enactments relating to income-tax, as defined for the purposes of the enactments relating to income-tax, or which affects the principles on which under any of the foregoing provisions of this Chapter moneys are or may be distributable to Provinces, shall be introduced or moved in the National Assembly except with the previous sanction of the President.

¹ Subs. by the Act 10 of 2010, s. 60 for "clause (1)".

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Provincial taxes in respect of professions, etc.

163. A Provincial Assembly may by Act impose taxes, not exceeding such limits as may from time to time be fixed by Act of ¹[Majlis-e-Shoora (Parliament)], on persons engaged in professions, trades, callings or employments, and no such Act of the Assembly shall be regarded as imposing a tax on income.

Miscellaneous Financial Provisions

Grants out of Consolidated Fund

164. The Federation or a Province may make grants for any purpose, notwithstanding that the purpose is not one with respect to which ¹[Majlis-e-Shoora (Parliament)] or, as the case may be, a Provincial Assembly may make laws.

Exemption of certain public property from taxation

165. (1) The Federal Government shall not, in respect of its property or income, be liable to taxation under any Act of Provincial Assembly and, subject to clause (2), a Provincial Government shall not, in respect of its property or income, be liable to taxation under Act of ¹[Majlis-e-Shoora (Parliament)] or under Act of the Provincial Assembly of any other Province.

(2) If a trade or business of any kind is carried on by or on behalf of the Government of a Province outside that Province, that Government may, in respect of any property used in connection with that trade or business or any income arising from that trade or business, be taxed under Act of ¹[Majlis-e-Shoora (Parliament)] or under Act of the Provincial Assembly of the Province in which that trade or business is carried on.

(3) Nothing in this Article shall prevent the imposition of fees for services rendered.

Power of Majlis-e-Shoora (Parliament) to impose tax on the income of certain corporations, etc.

² **[165A.** (1) For the removal of doubt, it is hereby declared that ¹[Majlis-e-Shoora (Parliament)] has, and shall be deemed always to have had, the power to make a law to provide for the levy and recovery of a tax

¹ See footnote 6 on page 3, *supra*.

² Added by the Constitution (Arndt.) Order. 1985 (P. O. No. 11 of 1985), Art. 2.

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on the income of a corporation, company or other body or institution established by or under a Federal law or a Provincial law or an existing law or a corporation, company or other body or institution owned or controlled, either directly or indirectly, by the Federal Government or a Provincial Government, regardless of the ultimate destination of such income.

(2) All orders made, proceedings taken and acts done by any authority or person, which were made, taken or done, or purported to have been made, taken or done, before the commencement of the Constitution (Amendment) Order, 1985, in exercise of the powers derived from any law referred to in clause (1), or in execution of any orders made by any authority in the exercise or purported exercise of powers as aforesaid, shall, notwithstanding any judgment of any court or tribunal, including the Supreme Court and a High Court, be deemed to be and always to have been validly made, taken or done and shall not be called in question in any court, including the Supreme Court and a High Court, on any ground whatsoever.

(3) Every judgement or order of any court or tribunal, including the Supreme Court and a High Court, which is repugnant to the provisions of clause (1) or clause (2) shall be, and shall be deemed always to have been, void and of no effect whatsoever.]

CHAPTER 2. – BORROWING AND AUDIT

Borrowing by Federal Government

166. The executive authority of the Federation extends to borrowing upon the security of the Federal Consolidated Fund within such limits, if any, as may from time to time be fixed by Act of ¹[Majlis-e-Shoora (Parliament)], and to the giving of guarantees within such limits, if any, as may be so fixed.

Borrowing by Provincial Government

167. (1) Subject to the provisions of this Article, the executive authority of a Province extends to borrowing upon the security of the Provincial Consolidated Fund within such limits, if any, as may from time to time be fixed by Act of the Provincial Assembly, and to the giving of guarantees within such limits, if any, as may be so fixed.

(2) The Federal Government may, subject to such conditions, if any, as it may think fit to impose, make loans to, or, so long as any limits

¹ See footnote 6 on page 3, *supra*.

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fixed under Article 166 are not exceeded give guarantees in respect of loans raised by, any Province, and any sums required for the purpose of making loans to a Province shall be charged upon the Federal Consolidated Fund.

(3) A Province may not, without the consent of the Federal Government, raise any loan if there is still outstanding any part of a loan made to the Province by the Federal Government, or in respect of which guarantee has been given by the Federal Government; and consent under this clause may be granted subject to such conditions, if any, as the Federal Government may think fit to impose.

¹[(4) A Province may raise domestic or international loan, or give guarantees on the security of the Provincial Consolidated Fund within such limits and subject to such conditions as may be specified by the National Economic Council.]

Audit and Accounts

Auditor-General of Pakistan

168. (1) There shall be an Auditor-General of Pakistan, who shall be appointed by the President.

(2) Before entering upon office, the Auditor-General shall make before the Chief Justice of Pakistan oath in the form set out in the Third Schedule.

²(3) The Auditor-General shall, unless he sooner resigns or is removed from office in accordance with clause (5), hold office for a term of four years from the date on which he assumes such office or attains the age of sixty-five years, whichever is earlier.]

³[(3A) The other terms and conditions of service of the Auditor-General shall be determined by Act of Majlis-e-Shoora (Parliament); and, until so determined, by Order of the President.]

(4) A person who has held office as Auditor-General shall not be eligible for further appointment in the service of Pakistan before the expiration of two years after he has ceased to hold that office.

(5) The Auditor-General shall not be removed from office except in the like manner and on the like grounds as a Judge of the Supreme Court.

(6) At any time when the office of the Auditor-General is

¹ New clause (4) Ins. by the Constitution (Eighteenth Amdt.) Act, 2010 (10 of 2010), s. 61.

² Subs. *ibid.*, s. 62, for "clause (3)".

³ New clause (3A) Ins. by the Constitution (Eighteenth Amdt.), Act, 2010, (10 of 2010), s. 62.

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vacant or the Auditor-General is absent or is unable to perform the functions of his office due to any cause, ¹[the President may appoint the most senior officer in the Office of the Auditor-General to] at as Auditor-General and perform the functions of that office.

Functions and powers of Auditor-General

169. The Auditor-General shall, in relation to—

- (a) the accounts of the Federation and of the Provinces; and
- (b) the accounts of any authority or body established by the Federation or a Province,

perform such functions and exercise such powers as may be determined by or under Act of ²[Majlis-e-Shoora (Parliament)] and, until so determined, by ³Order of the President.

Power of Auditor-General to give directions as to accounts

170. ⁴[(1)] The accounts of the Federation and of the Provinces shall be kept in such form and in accordance with such principles and methods as the Auditor-General may, with the approval of the President, prescribe.

⁴[(2)] The audit of the accounts of the Federal and of the Provincial Governments and the accounts of any authority or body established by, or under the control of, the Federal or a Provincial Government shall be conducted by the Auditor-General, who shall determine the extent and nature of such audit.]

Reports of Auditor-General

171. The reports of the Auditor-General relating to the accounts of the Federation shall be submitted to the President, who shall cause them to be laid before the ⁵[both Houses of Majlis-e-Shoora (Parliament)] and the reports of the Auditor-General relating to the accounts of a Province shall be submitted to the Governor of the Province, who shall cause them to be laid before the Provincial Assembly.

¹ Subs. *ibid.*, for certain words.

² See footnote 6 on page 3, *supra*.

³ For such Order, see the Pakistan (Audit and Accounts) Order, 1973 (P. O. No. 21 of 1973).

⁴ Re-numbered (1) and new clause (2) added by the Act 10 of 2010, s. 63.

⁵ Subs. *ibid.*, s. 64, for “National Assembly”.

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CHAPTER 3. – PROPERTY, CONTRACTS, LIABILITIES AND SUITS

Ownerless property

172. (1) Any property which has no rightful owner shall, if located in a Province, vest in the Government of that Province, and in every other case, in the Federal Government.

(2) All lands, minerals and other things of value within the continental shelf or underlying the ocean ¹[beyond] the territorial waters of Pakistan shall vest in the Federal Government.

²[(3) Subject to the existing commitments and obligations, mineral oil and natural gas within the Province or the territorial water adjacent thereto shall vest jointly and equally in that Province and the Federal Government.]

Power to acquire property and to make contracts, etc.

173. (1) The executive authority of the Federation and of a Province shall extend, subject to any Act of the appropriate Legislature, to the grant, sale, disposition or mortgage of any property vested in, and to the purchase or acquisition of property on behalf of, the Federal Government or, as the case may be, the Provincial Government, and to the making of contracts.

(2) All property acquired for the purposes of the Federation or of a Province shall vest in the Federal Government or, as the case may be, in the Provincial Government.

(3) All contracts made in the exercise of the executive authority of the Federation or of a Province shall be expressed to be made in the name of the President or, as the case may be, the Governor of the Province, and all such contracts and all assurances of property made in the exercise of that authority shall be executed on behalf of the President or Governor by such persons and in such manner as he may direct or authorize.

(4) Neither the President, nor the Governor of a Province, shall be personally liable in respect of any contract or assurance made or executed in the exercise of the executive authority of the Federation or, as

¹ Subs. by the Constitution (Eighteenth Amdt.) Act, 2010 (10 of 2010), s.65, for “within”.

² Ins. *ibid.*

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the case may be, the Province, nor shall any person making or executing any such contract or assurance on behalf of any of them be personally liable in respect thereof.

(5) Transfer of land by the Federal Government or a Provincial Government shall be regulated by law.

Suits and proceedings

174. The Federation may sue or be sued by the name of Pakistan and a Province may sue or be sued by the name of the Province.

Annexure-B

(This annexure is taken directly from the Constitution of Pakistan (Pg: 204-210); hence left unformatted)

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FOURTH SCHEDULE

[Article 70 (4)]

LEGISLATIVE LISTS

Federal Legislative List

PART I

1. The defence of the Federation or any part thereof in peace or war; the military, naval and air forces of the Federation and any other armed forces raised or maintained by the Federation ; any armed forces which are not forces of the Federation but are attached to or operating with any of the Armed Forces of the Federation including civil Armed Forces; Federal Intelligence Bureau; preventive detention for reasons of State connected with defence, external affairs, or the security of Pakistan or any part thereof ; persons subjected to such detention; industries declared by Federal law to be necessary for the purpose of defence or for the prosecution of war.
2. Military, naval and air force works; local self-government in cantonment areas, the constitution and powers within such areas of cantonment authorities, the regulation of house accommodation in such areas, and the delimitation of such areas.
3. External affairs; the implementing of treaties and agreements, including educational and cultural pacts and agreements, with other countries; extradition, including the surrender of criminals and accused persons to Governments outside Pakistan.
4. Nationality, citizenship and naturalisation.
5. Migration from or into, or settlement in, a Province or the Federal Capital.
6. Admission into, and emigration and expulsion from, Pakistan, including in relation thereto the regulation of the movements in Pakistan of persons not domiciled in Pakistan, pilgrimages to places beyond Pakistan.
7. Posts and telegraphs, including telephones, wireless, broadcasting and other like forms of communications; Post Office Saving Bank.
8. Currency, coinage and legal tender.

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9. Foreign exchange; cheques, bills of exchange, promissory notes and other like instruments.
10. Public debt of the Federation, including the borrowing of money on the security of the Federal Consolidated Fund ; foreign loans and foreign aid.
11. Federal Public Services and Federal Public Service Commission.
12. Federal pensions, that is to say, pensions payable by the Federation or out of the Federal Consolidated Fund.
13. Federal Ombudsman.
14. Administrative Courts and Tribunals for Federal subjects.
15. Libraries, museums, and similar institutions controlled or financed by the Federation.
16. Federal agencies and institutes for the following purposes, that is to say, for research, for professional or technical training, or for the promotion of special studies.
17. Education as respects Pakistani students in foreign countries and foreign students in Pakistan.
18. Nuclear energy, including—
 - (a) mineral resources necessary for the generation of nuclear energy;
 - (b) the production of nuclear fuels and the generation and use of nuclear energy;
 - (c) ionizing radiations. ¹[; and]
 - ²[(d) boilers.]
19. Port quarantine, seamen's and marine hospitals and hospitals connected with port quarantine.
20. Maritime shipping and navigation, including shipping and navigation on tidal waters; Admiralty jurisdiction.

¹ Subs. by the Constitution (Eighteenth Amdt.) Act, 2010 (10 of 2010), s. 101 for the full stop.

² New sub-entry (d) added *ibid*.

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- 1* * * * *
22. Aircraft and air navigation; the provision of aerodromes; regulation and organisation of air traffic and of aerodromes.
23. Lighthouses, including lightships, beacons and other provisions for the safety of shipping and aircraft.
24. Carriage of passengers and goods by sea or by air.
25. Copyright, inventions, designs, trade-marks and merchandise marks.
26. Opium so far as regards sale for export.
27. Import and export across customs frontiers as defined by the Federal Government, inter-provincial trade and commerce, trade and commerce with foreign countries; standard of quality of goods to be exported out of Pakistan.
28. State Bank of Pakistan; banking, that is to say, the conduct of banking business by corporations other than corporations owned or controlled by a Province and carrying on business only within that Province.
29. The law of insurance, except as respects insurance undertaken by a Province, and the regulation of the conduct of insurance business, except as respects business undertaken by a Province; Government insurance, except so far as undertaken by a Province by virtue of any matter within the legislative competence of the Provincial Assembly.
30. Stock exchanges and futures markets with objects and business not confined to one Province.
31. Corporations, that is to say, the incorporation, regulation and winding-up of trading corporations, including banking, insurance and financial corporations, but not including corporations owned or controlled by a Province and carrying on business only within that Province, or cooperative societies, and of corporations, whether trading or not, with objects not confined to a Province, but not including universities.
- ²[32. International treaties, conventions and agreements and International arbitration.]

¹ Entry "21" omitted by the Constitution (Eighteenth Amdt.) Act, 2010 (10 of 2010), s. 101.

² Subs. by the Constitution (Eighteenth Amdt.) Act, 2010 (10 of 2010), s. 101 for "entry 32".

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34. National highways and strategic roads.

35. Federal surveys including geological surveys and Federal meteorological organisations.

36. Fishing and fisheries beyond territorial waters.

37. Works, lands and buildings vested in, or in the possession of Government for the purposes of the Federation (not being military, naval or air force works), but, as regards property situate in a Province, subject always to Provincial legislation, save in so far as Federal law otherwise provides.

1* * * * *

39. Establishment of standards of weights and measures.

1* * * * *

41. Elections to the office of President, to the National Assembly, the Senate and the Provincial Assemblies; Chief Election Commissioner and Election Commissions.

42. The salaries, allowances and privileges of the President, Speaker and Deputy Speaker of the National Assembly, Chairman and Deputy Chairman of the Senate, Prime Minister, Federal Ministers, Ministers of State, the salaries, allowances and privileges of the members of the Senate and the National Assembly; and the punishment of persons who refuse to give evidence or produce documents before committees thereof.

43. Duties of customs, including export duties.

44. Duties of excise, including duties on salt, but not including duties on alcoholic liquors, opium and other narcotics.

2* * * * *

2* * * * *

47. Taxes on income other than agricultural income.

48. Taxes on corporations.

¹ Entries 33, 38 and 40 omitted *ibid*.

² Entries 45 and 46 omitted by the Constitution (Eighteenth Amdt.) Act, 2010 (10 of 2010), s. 101.

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- ¹[49. Taxes on the sales and purchases of goods imported, exported, produced, manufactured or consumed ²[, except sales tax on services.]]
50. Taxes on the capital value of the assets, not including taxes on ³* * * on immovable property.
51. Taxes on mineral oil, natural gas and minerals for use in generation of nuclear energy.
52. Taxes and duties on the production capacity of any plant, machinery, undertaking, establishment or installation in lieu of the taxes and duties specified in entries 44, 47, 48 and 49 or in lieu of any one or more of them.
53. Terminal taxes on goods, or passengers carried by railway, sea or air; taxes on their fares and freights.
54. Fees in respect of any of the matters in this Part, but not including fees taken in any court.
55. Jurisdiction and powers of all courts, except the Supreme Court, with respect to any of the matters in this List and, to such extent as is expressly authorised by or under the Constitution, the enlargement of the jurisdiction of the Supreme Court, and the conferring thereon of supplemental powers.
56. Offences against laws with respect to any of the matters in this Part.
57. Inquiries and statistics for the purposes of any of the matters in this Part.
58. Matters which under the Constitution are within the legislative competence of ⁴[Majlis-e-Shoora (Parliament)] or relate to the Federation.
59. Matters incidental or ancillary to any matter enumerated in this Part.

¹ Subs. by the Constitution (Fifth Amdt.) Act, 1976 (62 of 1976), s. 19, for the "original entry 49" (w.e.f. the 13th September, 1976).

² Added by Act 10 of 2010, s. 101.

³ The words "on capital gains" omitted *ibid.*

⁴ See footnote 6 on page 3, *supra.*

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PART II

1. Railways.
2. Mineral oil and natural gas; liquids and substances declared by Federal law to be dangerously inflammable.
3. Development of industries, where development under Federal control is declared by Federal law to be expedient in the public interest; institutions, establishments, bodies and corporations administered or managed by the Federal Government immediately before the Commencing day, including the ¹[Pakistan Water and Power Development Authority and the Pakistan Industrial Development Corporation]; all undertakings, projects and schemes of such institutions, establishments, bodies and corporations, industries, projects and undertakings owned wholly or partially by the Federation or by a corporation set up by the Federation.
- ²[4. Electricity.
5. Major ports, that is to say, the declaration and delimitation of such ports, and the constitution and powers of port authorities therein.
6. All regulatory authorities established under a Federal law.
7. National planning and national economic coordination including planning and coordination of scientific and technological research.
8. Supervision and management of public debt.
9. Census.
10. Extension of the powers and jurisdiction of members of a police force belonging to any Province to any area in another Province, but not so as to enable the police of one Province to exercise powers and jurisdiction in another province without the consent of the Government of that Province; extension of the powers and jurisdiction of members of a police force belonging to any Province to railway areas outside that Province.
11. Legal, medical and other professions.

¹ Subs. by the Constitution (Fifth Amdt.) Act, 1976 (62 of 1976), s. 19, for "West Pakistan Water and Power Development Authority and the West Pakistan Industrial Development Corporation" (w.e.f. the 13th September, 1976).

² New entries 4, 5, 6, 7, 8, 9, 10, 11, 12 and 13 ins. by the Constitution (Eighteenth Amdt.) Act, 2010 (10 of 2010), s. 101.

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12. Standards in institutions for higher education and research, scientific and technical institutions.

13. Inter-provincial matters and co-ordination.]

¹[14.] Council of Common Interests.

¹[15.] Fees in respect of any of the matters in this Part but not including fees taken in any court.

¹[16.] Offences against laws with respect to any of the matters in this Part.

¹[17.] Inquiries and statistics for the purposes of any of the matters in this Part.

¹[18.] Matters incidental or ancillary to any matter enumerated in this Part.

2* * * * *

¹ Re-numbered entries 4,5, 6, 7, and 8 the Constitution (Eighteenth Amdt.) Act, 2010 (10 of 2010), s. 101.

² Concurrent Legislative List and the Entries 1 to 47 omitted *ibid.*

Annexure-C

List of PTDC motels/hotels/resorts not yet transferred

The PTDC assets include:

1.	Plot near the sports gymnasium at Shakkar Parian
2.	Restaurant at Daman-i-Koh in Islamabad
3.	Restaurant at Jaltarang

No. Hotels/Motels/Resorts list

1. Saidu Sharif
2. Kalam
3. Maindam
4. Chakdara
5. Panakot/Dir
6. Chitral
7. Chattar Plain
8. Besham
9. Barseen
10. Balakot
11. Naran
12. Ayubia
13. Gilgit
14. Gopis
15. Hunza
16. Phandar
17. Rama Lake
18. Sust
19. Astak
20. Khaplu
21. Satpara
22. Skardu
23. Taftan (Pak-Iran boarder)
24. Ziarat
25. Khuzdar
26. Chaman
27. Taxila
28. Wagah
29. Bahawalpur
30. Moenjodaro

Annexure-D

List of countries: Visa on Arrival for tourist friendly countries

Visa On Arrival (VOA) will be allowed for one month validity and stay (Multiple) to Group Tourists of following 24 Tourists Friendly Countries (TFC) through designated Tour Operators in Pakistan subject to the following conditions:-

- i. The case will be submitted through designated/authorized tour operators only;
- ii. The concerned tour operator will also submit undertaking to the effect that the tourists will be their responsibility and that they will not illegally overstay beyond validity of visa;
- iii. The concerned tour operators will submit a confirmation about exit of the said tourists, after their actual leaving the country.

LIST OF TOURIST FRIENDLY COUNTRIES (TFC)

No.	Name of the Country	No.	Name of the Country
1	Austria	13	Korea
2	Belgium	14	Luxembourg
3	Canada	15	Malaysia
4	China	16	Netherlands
5	Denmark	17	Norway
6	Finland	18	Portugal
7	France	19	Singapore
8	Germany	20	Spain
9	Greece	21	Sweden
10	Iceland	22	Thailand
11	Italy	23	UK
12	Japan	24	USA

Annexure-E

PPP Manifesto 2013 (page-52 dealing in topic of tourism)

Manifesto 2013

- Encourage and incentivize the development of new public spaces and cultural complexes with cinemas and theatres.
- Establish a national endowment fund for the arts to promote and fund cultural activities, especially theatre, dance, music and film.
- Regulate zoning by-laws, making it mandatory for developers to provide cultural facilities, such as auditoriums, cultural centres and other public spaces, in return for the use of urban land.
- Promote reading as a hobby in schools and through behaviour change campaigns.
- Facilitate and organize literary festivals and book fairs across the country, and encourage Pakistan's leading literary figures to spearhead a campaign to promote reading.
- Protect and conserve heritage sites through public-private partnerships.
- Ensure heritage properties are zoned and given landmark status that is fully implemented.
- Preserve heritage sites such as Harappa, Mehargarh, Moenjodaro and Taxila with institutional support and international cooperation.
- Protect and conserve religious sites and monuments.
- Institute mechanisms to promote artists and artisans through economic support, and provide them with opportunities to pass on their skills and traditional crafts. We will set up artisans' cooperatives through public-private partnerships.
- Organize and provide support to national arts festivals and exhibitions, including music and theatre, thereby providing artists from across the breadth of Pakistan a platform to promote their work. We will encourage the youth of Pakistan to play a larger role in this field.
- Promote the image of Pakistan's rich heritage through cultural exchanges with the support of our diplomatic missions across the world.

Tourism and travel

Pakistan's tourism industry has been badly hit as a result of external and internal conflict. The Swat valley, once known as the Switzerland of Asia, was considered a tourist haven, but its image has suffered greatly due to the rise of militancy and the fallout from the military operation to flush out extremist elements. During our current tenure, our democratic partners have launched tourism weeks to promote the Swat valley as a tourist destination. We will support all such endeavours and focus on revitalizing the tourism industry by providing incentives to hoteliers, tour operators and shops in militancy-affected tourist sites. We will provide the best possible security to tourists visiting areas that are recovering from the effects of extremism. We will make efforts to revive tourism by promoting travel in areas that are largely unaffected by militancy, and promote ecotourism in protected parks and sanctuaries.

Protecting heritage and culture

In our current tenure, we have helped secure efforts to preserve our heritage and historical buildings. Through a public-private partnership, Madr-e-Millat Fatima Jinnah's property, Mohatta Palace, was rescued from ruin and converted into a museum complex where entry is free of charge, providing citizens a chance to view art and cultural exhibits. We have also worked towards revitalizing and conserving the Frere Hall Museum and gardens as a public space for citizens in the heart of the city. In our next term, we will:

Sports and community development

While our cricket and hockey teams are amongst the world's finest, we have yet to realize the full potential of our sporting talent. We must promote sports as essential for the character development of our youth. We will:

- Promote sports for the development of communities.
- Strengthen local sports associations and help organize annual sporting events at the district and city level.
- Invest in state-of-the-art sporting facilities and grounds to encourage youth participation in sporting activities.
- Encourage the participation of women in all sporting events held domestically and internationally.

Annexure-F

The Pakistan Hotels and Restaurants Act, 1976

Act LXXXI of 1976

[Gazette of Pakistan, Extraordinary, Part 1, 4th January 1977]

An Act to provide measures for controlling and regulating the standards of service and amenities for tourists in hotels and restaurants.

The following Act of Parliament received the assent of the President on the 31st December 1976, and is hereby published for general information:---

Whereas it is expedient to provide measures for controlling and regulating the standards of service and amenities for tourists in hotels and restaurants and for matters ancillary thereto or connected therewith;

And whereas the provincial assemblies of the Punjab, Sind and North -West Frontier Province, and Parliament, exercising the powers of the Provincial Assembly of Baluchistan under Article 234 of the Constitution of the Islamic Republic of Pakistan, have passed resolutions under Article 144 of the constitution to the effect that parliament may by law regulate the standards of service and amenities for tourists in hotels and restaurants;

It is hereby enacted as follows:

Short title, extent, application and commencement. -

- (1) This Act may be called the Pakistan Hotels and Restaurants Act, 1976.
- (2) It extends to the whole of Pakistan.
- (3) It shall apply to all the hotels and restaurants in Pakistan.
- (4) It shall come into force at once.

Definitions.-In this Act, unless there is anything repugnant in the subject or context,-

- (a) "apprentice" means any person who has contracted with a hotel or a restaurant to perform the stipulated apprenticeship in such hotel or restaurant;
- (b) "Committee" means the committee set up by the Federal Government under section 4;
- (c) "Controller" means a Controller appointed under section 3 and includes a Deputy Controller and an Assistant Controller and such other person as may be authorised by the Federal Government by notification in the official Gazette to perform all or any of the functions of the Controller;
- (d) "customer" means a person availing facilities offered in a restaurant on monetary consideration;
- (e) "fair rates" means the rates fixed under section 10 and includes revised rates;
- (f) "guest" means a person who is in possession or enjoyment of accommodation provided to him in a hotel on monetary consideration;
- (g) "hotel" means a lodging, or boarding and lodging, establishment with a minimum of ten lettable bed rooms, provided for tourists on monetary consideration, which conforms to any of the prescribed minimum criteria, but does not include,---

- (i) a home or hostel which is exclusively or mainly used for the aged or invalid persons or students and is run by or under the control of a charitable or educational institution; or
- (ii) any rest house, hostel or circuit house exclusively meant for visiting Government officials or officials of other organizations, though run on a commercial basis;
- (h) "manager" means the person in charge of the management of a hotel or a restaurant a;
- (i) "owner" means the person who holds title to a hotel or restaurant and is entitled to receive the whole or any part of the earnings received from a guest or customer on account of accommodation or services provided in the hotel or restaurant, and includes a keeper or assignee for the time being dis charging the responsibility of the owner in respect of such hotel or restaurant;
- (j) "prescribed" means prescribed by rules made under this Act;
- (k) "public rooms" means rooms in a hotel which are meant for the common use of all guests;
- (l) "restaurant" means a public eating house providing standard and variety of cuisines on monetary consideration to tourists which conforms to the minimum prescribed criteria;
- (m) "service" means any service provided in a hotel or a restaurant; and
- (n) "tourist" means a person, whether a citizen of Pakistan or not, who stays over-night or more as a guest in a hotel at a place other than his normal place of residence.

Appointment of Controller, Deputy Controllers and Assistant Con trollers.---

- (1) The Federal Government may, by notification in the official Gazette, appoint a person to be the Controller for the purposes of this Act and such number of Deputy Controllers and Assistant Controllers as may be necessary for the performance and discharge of such functions and duties as may be assigned to them by or under this Act and may, by general or special order provide for the distribution or allocation of work to be perform ed by them.
- (2) Subject to the provisions of this Act, the Controller shall perform his functions and discharge his duties under the general supervision and control of the Federal Government.
- (3) Subject to the provisions of this Act and of such orders as may from time to time be made by the Federal Government in this behalf, the Deputy Controllers and Assistant Controllers shall perform their functions and discharge their duties under the general supervision and control of the Controller.

Setting up of Advisory Committee.-As soon as may be after the commencement of this Act, the Federal Government may set up a Hotels and Restaurants Committee, consisting of as many members as the Federal Government may determine, to aid and advise the Federal Government in relation to such matters relating to the administration of this Act as may be prescribed.

Registration of hotels and restaurants.---

- (1) The owner of every hotel and restaurant shall, within a period of two months from the commencement of this Act, or from the opening of the hotel or restaurant, or from the date on which this Act becomes applicable to such hotel or restaurant, whichever is later, apply to the Controller for registration of his hotel or restaurant and for determination of fair rates in relation thereto and in the case of a hotel, also for its classification, on payment of such fee as may be prescribed.

(2) No hotel or restaurant shall be registered, unless, ---

(a) it conforms to the prescribed standard of health, hygiene and comfort, provided that the Controller may allow provisional registration subject to such conditions as he may deem fit and, for good and sufficient reasons, modify, alter or withdraw any such condition at any time;

(b) it furnishes at its expense certificates of medical fitness from a Medical Officer of the civil hospital of the area in respect of its staff in such form as may be prescribed;

(c) its building is structurally safe and adequately protected against fire or an accident arising out of electricity or gas and safety of the tourists is ensured.

(3) The Controller, or an officer authorized by him in this behalf, or a member of the committee may, at any time, inspect the premises of a hotel or restaurant, call for any information, plan or data in respect of any matter concerning such hotel or restaurant or, at the cost of the owner, carry out, or require the owner to carry out, test of any articles or appliances or foodstuff.

Classification of hotels.-Subject to such general or particular directions as the Federal Government may issue, the Controller shall, according to the prescribed minimum criteria, by notification in the official Gazette, classify hotels, according to the star classification system, as,---

(a) one-star hotels, being hotels, which conform to the prescribed minimum criteria of hotels of that class, but do not conform to the prescribed minimum criteria of a higher star class hotel;

(b) two-star hotels, being hotels, which conform to the prescribed minimum criteria of hotels of that class, but do not conform to the prescribed minimum criteria of a higher star class hotel;

(c) three-star hotels, being hotels, which conform to the prescribed minimum criteria of hotels of that class, but do not conform to the prescribed minimum criteria of a higher star class hotels;

(d) four-star hotels, being hotels, which conform to the prescribed minimum criteria of hotels of that class, but do not conform to the prescribed minimum criteria of a higher star class hotel; and

(e) five-star hotels, being hotels, which conform to the prescribed minimum criteria of hotels of that class.

Issue of license---

(1) Every owner shall, after registration of his hotel or restaurant under section 5, obtain a license from the Controller on payment of such fee as may be prescribed.

(2) No owner shall carry on his business or in the case of a hotel, use the classification star sign, without first getting the hotel or restaurant registered and obtaining a license under this Act.

(3) A license granted under this section shall, unless sooner suspended or cancelled, remain in force for a period of one year from the date of issue and may thereafter be renewed for a period of one year at a time on payment of the prescribed fee provided that if an application for renewal of a license is made before the expiry of the period of its validity, the license shall continue in force until orders are passed on such application.

Refusal and cancellation of registration and license. -

(1) The Controller may refuse to register a hotel or restaurant if it does not conform to the minimum prescribed criteria.

(2) The registration and license of a hotel or restaurant may be cancelled or suspended, or the star classification of a hotel may be lowered, if, ---

(a) its owner is declared insolvent by a competent Court;

(b) its business is wholly or partly discontinued or suspended without the approval of the Controller, except where such suspension or discontinuance is for the purposes of making repairs, improvements, renovations or expansion or in the case of seasonal business, is for the period of the slack season, and the fact of such suspension or discontinuance in each case has been duly reported to the Controller in advance;

(c) its owner or any person acting on his behalf contravenes any of the provisions of this Act or the rules or orders made thereunder;

(d) it ceases to conform to the requirements of registration under section 5 or, in the case of a hotel, to the prescribed minimum criteria for the class assigned to it; or

(e) its owner fails to enter the names and other particulars of guests in the prescribed register.

Obligation of the transferee, etc., of a hotel and restaurant.-Where a hotel or restaurant registered and licensed under this Act is transferred or assigned to, or devolves upon, any person, it shall be incumbent upon that person to report, within one month of its taking effect, to the Controller the fact of such transfer, assignment or devolution and obtain a fresh licence under this Act.

Controller to fix fair rates.-

(1) The Controller may fix fair rates to be charged for board, lodging and other service provided in a hotel at such amount as having regard to the prescribed principles governing fair rates and the classification of hotels, he deems just.

(2) The Controller may either fix a consolidated rate for lodging, board and service, or for lodging and service only or fair rates separately for,---

(a) lodging with reference to the nature of the accommodation and the number of guests to be accommodated;

(b) board, partial or full; and

(c) other service.

(3) Fair rates may be fixed separately for daily and monthly guests.Explanation.-A guest who agrees to reserve accommodation, or for whom accommodation is reserved, for a period of one month or more shall be deemed to be a monthly guest, provided he actually stays for one month or more or has actually paid in advance for one month ; and where the reservation is not for any specified period or is for a period less than a month, the guest shall be deemed to be a daily guest.

(4) The Controller may fix fair rates to be charged for board and other service provided in a restaurant at such amount, as having regard to the prescribed principles governing fair rates and to all the circumstances, he deems just.

(5) The Controller may from time to time revise the fair rates fixed by him under this section.

(6) An order fixing or revising fair rates shall take effect on the first day of such month following the month in which the order is made as may be specified therein.

(7) Until such time as fair rates are fixed in relation to any hotel or restaurant under this section, the rates, if any, charged by such hotel or restaurant, immediately before this Act becomes applicable to it, for equivalent lodging, board or service to that provided, shall be deemed to be the fair rates fixed under this section.

Controller to fix limit of persons to be accommodated in any, room.--

(1) The Controller may fix the maximum number of guests to be accommodated in each room or other unit of accommodation in a hotel.

(2) No room for which an order has been made under subsection (1) shall be used to accommodate any number of guests in excess of the number specified in the order, except with the previous permission of the Controller in writing.

(3) The Controller may from time to time revise any order made by him under subsection (1) so as to increase or reduce the number of guests specified in such order.

Rules of establishment of hotel and restaurant. -Every owner shall prepare the rules of the establishment in respect of his hotel or restaurant conforming with the provisions of this Act and the rules made thereunder and get them approved by the Controller.

Fair rates, etc., to be displayed.-

(1) The fair rates, the maximum number of guests that may be accommodated in a room or unit of accommodation in a hotel and the rules of the establishment shall be displayed in a conspicuous manner in the office and in the public rooms, if any, of every hotel.

(2) The fair rates and the rules of the establishment shall be displayed in a conspicuous manner in the office and the hall and rooms of every restaurant.

Reservation of accommodation at the instance of Controller.

(1) Subject to such directions as may be given in this behalf by the Federal Government, the Controller may by order direct the owner or the manager of a hotel to reserve in the hotel such accommodation as may be specified in the order.

(2) Subject to any direction by the Federal Government in this behalf, the Controller may allot the accommodation reserved under subsection (1) to any person and such person shall thereupon be deemed to be a guest at the hotel in relation to the accommodation allotted to him.

(3) Where any accommodation is reserved under subsection (1), the owner or the manager of the hotel shall make the accommodation so reserved, or such portion of it as the Controller may direct, available to the Controller for occupation by the person to whom it has been allotted, at the expiry of forty-eight hours from the service upon him of a notice in writing in this behalf by the Controller.

(4) Nothing in this section shall prevent the owner or the manager of the hotel from letting any accommodation reserved under subsection (1) to a guest other than the person to whom such accommodation is allotted by the Controller, upon the condition that if and when a notice is received from the Controller under subsection.

(3) such guest will vacate the accommodation within forty-eight hours of the receipt of such notice.

Charge in excess of fair rates prohibited. --

(1) Notwithstanding any agreement to the contrary, no owner shall charge a guest or customer any amount in excess of the fair rates.

(2) Any agreement for the payment of any charges in excess of the fair rates shall be void in respect of such excess, and shall be construed as if it were an agreement for payment of the fair rates.

(3) Any sum paid by a guest in excess of the fair rates shall be recover able at any time within a period of six months from the date of payment from the owner or the manager of the hotel to whom it was paid, or from the legal representative of either of these persons, and without prejudice to any other mode of recovery which may be open to him, the guest may deduct such amount from any sum payable by him for his accommo dation.

Provision of medical facilities. -

(1) The owner of every hotel registered and licensed under this Act shall provide the following medical facilities for guests, namely: ---

(i) One and two star hotels;

(a) A doctor on call available in close proximity of the hotel pre mises.

(b) First-aid equipment and a reasonable stock of life saving drugs.

(c) Two employees trained and qualified in first-aid.

(d) Ensure availability of an ambulance, van or car to rush patients to a hospital in emergencies.

(ii) Three star hotels;

(a) As In sub-clauses (a) to (c) in clause (i).

(b) A drug store or chemist's shop with twenty-four hours' service, if no existing in close proximity.

(c) An ambulance or van.

(iii) Four and five star hotels;

(a) A doctor on call available in close proximity of the hotel promises.

(b) A separate consulting room with reasonable stock of life-saving drugs and first-aid equipment.

(c) Four employees trained and qualified in first-aid.

(d) An ambulance or a van convertible into an ambulance in emergency.

(e) A drug or chemist's shop with twenty-four hours' service, if not existing in close proximity.

(2) The management of a hotel shall take all possible care and provide all necessary medical aid without any loss of time to a guest suffering from any serious attack, including heart attack and hemorrhage, or an accident.

Offences and Penalties.-

- (1) Any owner who fails to apply for registration within the time specified in section 5 shall be liable to pay to the controller a penalty of such sum not exceeding five thousand rupees as the controller may impose and, in the case of a continuing failure an additional penalty which may extend to one thousand rupees for every day after the first during which he has persisted in the failure.
- (2) Any owner or manager who serves any food or beverage which is injurious to health, or who does not take sufficient care to ensure protection of food and beverage against contamination through flies or in any other way, or serves any food or beverage in unclean or contaminated utensils, shall be liable to pay to the Controller a penalty of such sum not exceeding one thousand rupees as the controller may impose.
- (3) Any owner or manager who fails to comply with any order passed or direction given under the provisions of this Act by the Controller or any other authority prescribed in this behalf shall be liable to pay to the Controller a penalty of such sum not exceeding one thousand rupees as the Controller may impose.
- (4) Any owner or manager who charges a guest or customer any amount in excess of the fair rates shall, in addition to refund such guest or customer the amount charged in excess of fair rates, be also liable to pay to the Controller a penalty of such sum not exceeding one thousand rupees as the Controller may impose for such excess charging for the first time and, in the case of any such subsequent excess charging, a penalty not exceeding two thousand rupees.
- (5) If a restaurant not registered under this Act fails to carry out the directive issued under clause (iv) of section 19 within the period specified therein, the Controller may suspend the operation of such restaurant and may also impose a penalty of such sum not exceeding five thousand rupees as the Controller may impose on the owner of such restaurant.
- (6) If the owner or manager of a hotel or restaurant not licensed under this Act advertises it as a hotel or restaurant, or in any manner whatsoever uses the star sign, he shall be liable to pay to the Controller a penalty of such sum not exceeding one thousand rupees as the Controller may impose and, in the case of his continuing to so advertise or use the star sign, an additional penalty which may extend to two hundred rupees for every day after the first during which he so continues or uses star sign.
- (7) Any owner who fails to comply with the provisions of section 21 shall be liable to one or more of the following penalties, namely:---
 - (a) Penalty of such sum not exceeding two thousand rupees as the Controller may impose;
 - (b) forfeiture of license; and
 - (c) cancellation of registration.

Contravention by companies, etc.-If the person contravening, or failing to comply with, any provision of this Act or any rule, order or direction made or issued thereunder is a company or other body corporate, every director, secretary or other officer or agent thereof, unless he proves that the contravention or failure took place without his knowledge or that he exercised due diligence to prevent its taking place, shall be liable to the penalty provided for such contravention or failure.

Mode of recovery. -

- (1) Any sum imposed as penalty under this Act shall be recoverable as an arrear of land revenue.

Appeal and Revision. -Any person aggrieved by an order under this Act may, within thirty days of the date of the order, prefer an appeal to,---

- (a) the deputy controller, where such order has been passed by an assistant controller;
- (b) the controller, where such order, not being an order passed in appeal under clause (a), has been passed by a Deputy Controller;
- (c) the prescribed appellate authority, where such order, not being an order passed in appeal under clause (b), has been passed by the Controller.

(2) The federal government may of its own motion, or on the application of any owner or manager aggrieved by an order passed under sub section (1) within the prescribed time and in the prescribed manner, pass such order in relation thereto as it thinks fit Provided that no order against an owner or a manager shall be passed unless he has been given an opportunity of showing cause against it and of being heard.

Indemnity.-No suit, prosecution or other legal proceeding shall lie against the Federal Government, the Controller, a Deputy Controller, an Assistant Controller, the Provincial Government, any officer or authority subordinate to the Federal Government or a Provincial Government, or a member of the Committee in respect of anything which is in good faith done or intended to be done under this Act.

Power to exempt. -The Federal Government may, by notification in the official Gazette, exempt any hotel or restaurant from the operation of all or any of the provisions of this Act for such period, and on such conditions, if any, as may be specified in the notification.

Delegation of powers.-

- (1) The Federal Government may, by notification in the official Gazette, direct that all or any of its powers under this Act shall, subject to such conditions, if any, as may be specified in the notification, be exercised,---
 - (a) by any officer or authority subordinate to the Federal Government;
 - (b) by any Provincial Government or by any officer or authority subordinate to such Government.
- (2) A Provincial Government may, with the approval of the Federal Government, constitute a Hotels and Restaurants Committee to perform, within the Province, all or any of the functions of the Committee.

Power to make rules. -

- (1) The Federal Government may, by notification in the official Gazette, make rules for carrying out the purposes of this Act.
- (2) In particular and without prejudice to the generality of the foregoing power, such rules may provide for, ---
 - (a) fixation and revision of criteria for the registration and classification of hotels and restaurants;
 - (b) lowering or altering the classification of a hotel, if in the opinion of the Controller it fails to maintain the prescribed standard of classification already assigned;
 - (c) the manner of issuance of "Sign Shields" including star classification of hotels and restaurants for display in hotels and restaurants at conspicuous places;

- (d) principles governing fair rates;
- (e) determining the format, content and display of fair rates for hotels and restaurants;
- (f) matters in relation to which the Committee may render aid and advice;
- (g) meetings of the Committee;
- (h) fixation of fees for registration and licenses;
- (i) form of a certificate of medical fitness referred to in section 5 and the time at which it shall be submitted to the Controller;
- (j) manner of holding summary enquiry; and
- (k) any other matter which is to be or may be prescribed.

Other laws not applicable.-Nothing contained in the Sarais Act, 1867 (XXII of 1867), or the Karachi Hotels and Lodging-Houses (Control) Act, 1950 (LXV of 1950), shall apply to a hotel or restaurant to which this Act for the time being applies.

Repeal.-The Pakistan Hotels and Restaurants Ordinance, 1976 (XXXIX of 1976), is hereby repealed.

Annexure-G

The Pakistan Tourist Guides Act, 1976 **¹ACT No. XXVI OF 1976** **[11th May 1976]**

An Act to provide for the regulation and control of the profession of tourist guides.

WHEREAS it is necessary and expedient to provide for the regulation and control of the profession of tourist guides;

It is hereby enacted as follows:---

1. Short title, extent and commencement.—

- (1) This Act may be called the Pakistan Tourist Guides Act, 1976.
- (2) It extends to the whole of Pakistan and applies to all tourist guides wherever they may be.
- (3) It shall come into force at once.

2. Definitions. In this Act, unless there is anything repugnant in the subject or context, ---

- (a) "Committee" means the Tourist Guide Regulatory Committee set up under section 3 ;
- (b) "license" means license issued under section 4;
- (c) "prescribed" means prescribed by rules;
- (d) "rules" means rules made under this Act; and
- (e) "tourist guide" means a person licensed as such under section 4.

3. Committee.

- (1) As soon as may be after the commencement of this Act, the Federal Government shall set up a committee to be known as the Tourist Guide Regulatory Committee consisting of a Chairman and such other members as the Federal Government may appoint.
- (2) The Chairman and other members of the Committee shall hold office during the pleasure of the Federal Government on such terms and conditions as the Federal Government may determine.
- (3) The Committee shall perform the following functions namely: ---
 - (a) advise the Federal Government in the implementation of the provisions of this Act and the rules;
 - (b) assist the Federal Government in the preparation of the code of conduct for tourist guides; and
 - (c) such other functions as are in consonance with provisions of this Act and, which the Federal Government may entrust to it.

4. Licensing of tourist guides.

- (1) Any person operating or intending to operate as tourist guide shall apply to the Federal Government on the prescribed form for grant of a license.

1. For Statement of Objects and Reasons, see Gaz. of P., 1975, Ext., Pt. III, p. 1462.

(2) On receipt of an application under sub-section (1), the Federal Government may, after holding the prescribed tests and on payment of the prescribed fee by the applicant, issue to the applicant, if he qualifies in such tests, a license in the prescribed form.

(3) The Federal Government shall maintain a register in which the names and addresses of all tourist guides shall be entered.

(4) The license shall, unless earlier suspended or cancelled under section 6, remain valid for a period of three years and may be renewed after every three years in the prescribed manner on payment of the prescribed-fee.

5. Code of conduct. The Federal Government shall, in consultation with the Committee, prescribe a code of conduct for tourist guides.

6. Suspension or cancellation of license.

(1) The Federal Government may, after affording a tourist guide an opportunity of showing cause against the action proposed to be taken against him, suspend or cancel the license of the tourist guide if he,---

(a) violates the terms and conditions of the license; or

(b) violates the code of conduct.

(2) (a) A tourist guide aggrieved by the decision or order under sub-section (1) of an officer or authority other than the Federal Government may prefer an appeal to the Federal Government within the prescribed time and in the prescribed manner and the orders of the Federal Government in such appeal shall be final.

(b) The Federal Government may at any time of its own motion or an application of any tourist guide aggrieved by any decision or order passed by the Federal Government under this Act or the rules, within the prescribed time and in the prescribed manner, pass such order as it think fit:---

Provided that no order against a tourist guide shall be passed unless he has been given an opportunity of showing cause against it and of being heard.

7. Prohibition to act as a tourist guide. Except as otherwise provided in the Act, no person shall hold himself out or act, as a tourist guide unless he holds a license.

8. Service charges of tourist guides.

(1) The Federal Government shall, from time to time by notification in the official Gazette, fix the maximum rates of charges to which a tourist guide shall be entitled for the services rendered by him.

(2) A tourist guide shall not demand from any person to whom he has rendered any service as such any amount in excess of the maximum charges fixed under sub-section (1) for that service.

(3) The guides employed on a fixed salary on a whole-time basis by any travel agency licensed under a law for the regulation and control of the profession of travel and tourist agencies shall not charge any fee from a tourist.

9. Penalty and procedure.

(1) Whoever,---

(a) being a person to whom no license has been issued, or

(b) being a person whose license has been cancelled or is for the time being suspended, holds himself out, or acts, as a tourist guide or otherwise contravenes the provisions of this Act or the rules or, being a tourist guide, contravenes the terms or conditions of the license issued to him or of a notification issued under subsection (1) of section 8, or violates the prescribed code of conduct, shall be punishable with fine which may be extended to five hundred rupees.

(2) Any Magistrate for the time being empowered to try in a summary way the offences specified in subsection (1) of section 260 of the Code of Criminal Procedure, 1898 (Act V of 1898), may try summarily an offence punishable under this Act in accordance with the provisions of Chapter XXII of that Code.

(3) No court shall take cognizance of an offence punishable under this Act except upon a complaint made in writing by or under the authority of the Federal Government.

10. Power to exempt. The Federal Government may exempt any class of persons from the operation of all or any of the provisions of this Act, subject to such conditions, if any, as it may deem fit.

11. Delegation of powers. The Federal Government may, by notification in the official Gazette, direct that all or any of its powers under this Act shall, under such conditions, if any, as may be specified, be exercisable, also,---

(a) by an officer or authority subordinate to the Federal Government, or

(b) by a Provincial Government or any Officer or authority subordinate to such Government.

12. Power to make rules.

(1) The Federal Government may, by notification in the official Gazette, make rules for carrying out the purposes of this Act.

(2) In particular, and without prejudice to the generality of the foregoing power, such rules may provide for all or any of the following matters, namely: ---

(a) the fees payable for the issue and renewal of a license;

(b) the form in which an application for a license is to be made;

(c) the form of the license;

(d) the code of conduct; and

(e) the conditions to which a license shall be subject.

Annexure-H

Travel Agencies Act 1976

The Travel Agencies Act, 1976 Act No. XXX of 1976 states that:

An Act to provide for the development, regulation and control of the profession of travel agencies in Pakistan.

Whereas it is necessary and expedient to provide for the development, regulation and control of the profession of travel agencies in Pakistan;

It is hereby enacted as follows: —

1. Short Title, extent and commencement. —

(1) this Act may be called the Travel Agencies Act, 1976.

(2) It extends to the whole of Pakistan.

(3) It shall come into force at once.

2. Definitions. In this Act, unless there is anything repugnant in the subject or context,—

(a) “Committee” means the Travel Agencies Regulatory Committee set up by the Federal Government under Section 3;

(b) “license” means a license granted under this Act to any person to operate as a travel agency.

(c) “licensed guide” means a guide licensed under the law for the regulation and control of the profession of tourist guides;

(d) “Prescribed” means prescribed under the rules; (e) “rules” means rules made under this Act;

(f) “travel agency” means a person, by whatever name called, who—

(i) makes, directly or indirectly, on commercial basis arrangements for the passage of the tourists, or use of transport, or transportation of their baggage or goods by sea, air rail or road;

(ii) makes arrangements for lodging, transport or other services relating to travel of persons within Pakistan or arranges entertainment, sightseeing, excursion and guide services, whether the arrangements are made on the basis of comprehensive all inclusive rates or on the basis of separate charges for each service provided; or

(iii) has been delegated general authority in respect of sales for the airlines or other carriers, either directly or through a sub-contract; and

(g) “tourist” means a person normally residing outside Pakistan who enters Pakistan and remains therein for not less than twenty four hours and not more than six months in the course of any year for purposes such as touring, recreation, sports, health, study, religious pilgrimages or business, and includes a citizen of Pakistan who travels within Pakistan or proceeds abroad for any of the said purposes.

3 (1) As soon as may be after the commencement of this Act, the Federal Government shall set up a committee to be known as the Travel Agencies Regulatory Committee consisting of a Chairman and such other members as the Federal Government may determine.

- (2) The Chairman and other members of the Committee shall hold office during the pleasure of the Federal Government on such terms and conditions as the Federal Government may determine.
- (3) The committee shall perform the following functions, namely:—
- (a) advise the Federal Government in the implementation of the provisions of this Act and the rules;
 - (b) approve the rates of service charges of travel agencies in respect of various services rendered by them to the tourists; (c) advise the Federal Government from time to time in respect of license fees to be prescribed for various services rendered by the travel agencies.
 - (d) Assist the Federal Government in the preparation of a code of conduct for travel agencies; and
 - (e) Such other functions as are connected with the objects of this Act and as the Federal Government may entrust to it. (f) 4. — (1) Any person operating or intending to organize and operate a travel agency shall apply to the Federal Government on the prescribed form for the grant of a license.
- (2) Subject to sub-section (3), on receipt of an application under sub-section (1), the Federal Government may, on payment of the prescribed fee by the applicant, grant to the applicant a license in the prescribed form.
- (3) A license shall not be granted to an applicant if—
- (a) the applicant, or the manager or any partner or director of the applicant, has been convicted of an offence which, in the opinion of the Federal Government involves moral turpitude;
 - (b) the applicant is a minor or insane person;
 - (c) the financial position of the applicant is, in the opinion of the Federal Government, such as would prevent the applicant from acting as a travel agency efficiently;
 - (d) the applicant has had no experience of travel arrangements required to operate the business of a travel agency and has not employed persons who have had such experience ; or
 - (e) the applicant does not have an office of a prescribed minimum standard or does not engage experienced and trained employees or licensed guides or does not provide such transportation facilities as may be prescribed.
- (f) (4) The Federal Government shall maintain a register in which the names, addresses, nature, composition and the field of operation of all licensed travel agencies shall be entered.
- (5) The license shall, unless earlier cancelled or suspended under Section 10 or section 11, remain valid for one year and may be renewed from year to year *[OR, at the option of the travel agency, for a period up to five years] in such manner, and on payment of such fee, as may be prescribed.
5. This Act shall not apply to—
- (a) Enterprises operated by the state;
 - (b) National carriers of Pakistan and foreign airlines, duly authorized to operate to from or via Pakistan; or
 - (c) Any agency, whether private or official, which is specifically entrusted by Government with the work relating to handling of Haj pilgrims or other pilgrims, within or without Pakistan, and who are subject to special regulations governing their field of activity.

6. Subject to section 5—

(1) no person shall hold himself out or act as travel agency unless he holds a license.

(2) No airline or other carrier shall delegate general authority in respect of sales, either directly or through a sub contract, to a person who does not hold a license.

7. (1) A licensed travel agency shall maintain in a scheduled bank a business guarantee fund of such minimum amount or furnish such bank guarantee, as may be prescribed.

(2) No amount shall be payable out of a business guarantee fund maintained by a licensed travel agency under sub-section (1) except to the order of the Federal Government.

(3) The Federal Government may, after making such inquiry as it may deem fit and after giving a travel agency an opportunity of showing cause against the order proposed to be made, order payment out of the business guarantee fund of the travel agency, of any sum owed by the agency to a tourist, carrier company or hotel or lodging house and not settled by it within thirty days from the date of its becoming due.

(4) A travel agency from whose business guarantee fund payment of any amount has been made under sub-section (3) shall, within a period of fifteen days of such payment, deposit the said amount into the business guarantee fund.

8.(1) The rates of service charges from the tourists shall be set out in a rate list drawn up by a licensed travel agency from time to time and approved by the Committee.

(2) A copy of the rate list referred to in sub-section (1) for the time being in force shall be posted at some conspicuous part of the office of the travel agency.

9. A licensed travel agency shall, on payment of the prescribed fee, have every change in its nature or composition or its field of operation entered in the register maintained under section 4, within fifteen days of the day on which such change occurs.

10. In the case of discontinuance or transfer of business, dissolution, re-organization or winding up of a licensed travel agency the Federal Government shall be informed by the agency within thirty days of such discontinuance, transfer, dissolution, re-organization or winding up, and on receipt of the information, the Federal Government may either cancel the license granted to the travel agency or, in the case of transfer of business or re-organization, grant a new license to the transferee travel agency or to the travel agency as re-organized.

11. The Federal Government may, after affording a licensed travel agency an opportunity of showing cause against the action proposed to be taken against it, by order in writing, suspend the license of the travel agency for a period not exceeding six months or cancel its license if the agency —

(a) violates the provisions of this Act or the rules or the terms and conditions of the license or the prescribed code of conduct;

(b) suspends its business without intimation to, or permission of, the Federal Government and does not resume it within six months from the date of such suspension or within the time specified by the Federal Government.

- (c) Contravenes the provisions of sub-section (1) or sub-section (4) of section 7; or
- (d) Becomes a person to whom a license cannot be granted under sub-section (3) of section 4.

12. Complaints. —Any traveler having a complaint against any travel agency may approach the Committee which shall dispose of the same in the prescribed manner.

13. Appeal and review. — (1) A travel agency aggrieved by the decision or order of an officer or authority other than the Federal Government under this Act or the rules may prefer an appeal to the Federal Government within the prescribed time and in the prescribed manner; and the decision of the Federal Government in such appeal shall be final.

(2) The Federal Government may at any time of its own motion, or on the application of any travel agency aggrieved by an decision or order passed by the Federal Government under this Act or the rules within the prescribed time and in the prescribed manner, pass such order in relation thereto as it thinks fit:

Provided that no order against a travel agency shall be passed unless it has been given an opportunity of showing cause against it and of being heard.

14. Penalty. — (1) Any travel agency which contravenes or fails to comply with the provisions of this Act or the rules or violates the prescribed code of conduct shall, without prejudice to any other action that may be taken against it under this Act be punishable with fine which may extend to twenty five thousand rupees.

(2) No court shall take cognizance of an offence punishable under this Act except upon a complaint made in writing by or under the authority of the Federal Government.

*[Note.— In exercise of the powers conferred by Sub-section (2) of section 14 of the Travel Agencies Act, 1976 (XXX of 1976), the Federal Government is pleased to authorize the Controller, Department of Tourist Services, to make complaints in Courts in respect of the offences under the said Act committed by the travel agencies]

15. Delegation of powers.— The Federal Government may, by notification in the official Gazette, direct that all or any of its powers under this Act shall, under such conditions, if any, as may be specified, be exercisable also-

(a) by any officer or authority subordinate to the Federal Government, or (b) by a Provincial Government or any officer or authority subordinate to such Government.

16. Power to make rules. — (1) The Federal Government may by notification in the official Gazette, make rules for carrying out the purposes of this Act.

(2) In particular, and without prejudice to the generality of the foregoing power, such rules may provide for all or any of the following matters namely:-

- (a) the fees payable for the issue and renewal of a license, depending on the nature of the services to be rendered by an applicant to tourists and the number of branch offices the applicant proposes to establish; (b) the form in which an application for a license is to be made; (c) the form of the license; (d) the code of conduct;
- (e) the conditions to which a license shall be subject; and (f) the manner in which, and the time within which, an appeal under the Act may be preferred.

Annexure-I

Heritage Laws

The Antiquities Act of 1968 was replaced with another one of 1975, amended in 1990, by which an ancient object was defined to be not less than 75 years old. The cultural heritage laws of Pakistan and the rules made for regulating and managing cultural properties are uniformly applicable to all categories of sites whether or not “protected” and regardless of their state of preservation, significance for national or international levels. There are no separate rules to apply to the sites on the world heritage list which are seven at present and for others being considered for inscription. Moreover, there is no separate organization or administrative center to deal exclusively with the preservation and maintenance of world heritage monuments except for a temporary management structure constituted in the past when UNESCO-sponsored preservation campaign for Mohenjo-Daro was launched.

In addition to the federal laws, all provinces except for Balochistan have enacted their own laws especially Punjab, Sindh, and more recently Khyber Pakhtunkhwa. Provinces have prepared their own lists of monuments which are considered historical and cultural in addition to the list of monuments located in their provinces but maintained by the federal government. There has not yet been any conflict among the provincial and federal departments of archaeology in undertaking conservation or supervising preservation projects by non-governmental organizations. Formal permission to undertake excavations at sites is still given by the federal government although there is a strong feeling that the provincial departments with their own legislations and activities centered in their respective regions should have independence in selecting and undertaking sites or regions for research.

About the Author and PIPS team

This paper is the result of efforts done by Ms Farahnaz Khan, PIPS researcher and consultant on devolution. This paper is closely and comprehensively supervised by the worthy Executive Director, Pakistan Institute for Parliamentary Services (PIPS) Mr Zafarullah Khan while coordination and editing is done Mr Muhammad Rashid Mafzool Zaka, Director General (Research & Legislation), PIPS

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